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THESIS

**AN ASSESSMENT OF THE IMPLEMENTATION
OF THE SINGLE PROCESS INITIATIVE BY
THE DEPARTMENT OF DEFENSE**

by

Bradley A. Bergan

December 1997

Principal Advisor:

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OF THE SINGLE PROCESS INITIATIVE BY
THE DEPARTMENT OF DEFENSE**

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Submitted in partial fulfillment
of the requirements for the degree of

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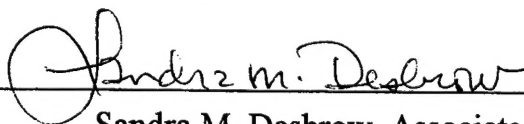


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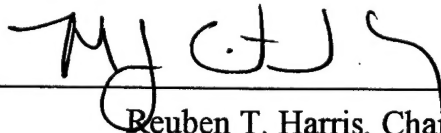
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ABSTRACT

One tenet of acquisition reform is to reduce the number of military specifications and standards contained in Department of Defense (DoD) contracts and to allow contractors the opportunity to use their own best practices to satisfy contractual requirements. The Single Process Initiative (SPI) is DoD's effort to incorporate this policy into existing contracts, via a streamlined process. The SPI process supports the elimination or replacement of existing military specifications and standards with industry-wide practices and promotes the use of single manufacturing and management processes within a contractor facility.

This thesis uses the results from 43 surveys of Government and industry participants in SPI to examine the extent to which SPI has been successful in promoting the use of single manufacturing and management processes at contractor facilities.

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I. INTRODUCTION

A. GENERAL INFORMATION

On June 29, 1994, Secretary of Defense Perry issued a memorandum directing the use of performance specifications to the maximum extent practicable in Department of Defense (DoD) contracts. This memorandum called for the development of a streamlined process to facilitate the replacement of existing military specifications and standards, where practicable, with industry wide practices. In December 1995, this policy was expanded to include the reduction of multiple Government-unique management and manufacturing systems. The procedures established to implement this new policy are known as the Single Process Initiative (SPI).

A key principle of the single process initiative is that the Government will save money in the long run and, therefore, must be proactive in promoting the initiative to industry. Another key goal is that all proposals should be processed and, if approved, implemented within 120 days. The nature of the initiative means many stakeholders from multiple agencies are involved in the process. The Defense Contract Management Command (DCMC) has been designated as the lead coordinator for the initiative and in the spirit of acquisition reform is continually trying to improve the

process and identify the most efficient and effective policies to support the initiative.

B. OBJECTIVE OF THE RESEARCH

The purpose of this study is to determine to what extent the single process initiative has been successful in promoting the use of single manufacturing and management processes at defense contractor facilities. Additionally, this study will determine how the SPI process might be improved.

Given this objective, the following subsidiary questions are also addressed:

- 1) What is the Single Process Initiative and how is it being implemented within the Department of Defense (DoD)?
- 2) What are the most effective means that DoD has used to promote SPI with contractors and what are the most effective means that defense contractors have used to promote SPI with their vendors and suppliers?
- 3) Has DoD been successful in meeting the goal of implementing proposed SPI initiatives within 120 days of receipt?
- 4) What are the key impediments/barriers to implementation of the Single Process Initiative?
- 5) What criteria does DoD use to determine the acceptability of an SPI proposal and how important are cost considerations in the process?
- 6) What is DoD's policy with respect to the receipt of monetary and/or non-monetary consideration from a contractor for implementing a contractor's SPI

proposal and does this policy promote the use of SPI within DoD?

- 7) Has the adoption of SPI within DoD led to a significant increase in the use of single manufacturing and management processes at defense contractor facilities?

C. SCOPE AND LIMITATIONS OF THE STUDY

This study examines the extent to which SPI has been successful in promoting the use of single manufacturing and management processes at defense contractor facilities. This thesis is divided into three areas. First it examines what the single process initiative is and the anticipated benefits of SPI for DoD. The study also reviews the historical developments that led to the introduction of SPI. The second area examines the way in which the initiative is being implemented by DoD. Survey results are the primary sources of information and are used to determine the successful policies and the primary barriers to successful implementation. The final area evaluates whether SPI is successful in achieving the stated objectives and provides recommendations to improve the process.

D. METHODOLOGY

This thesis uses a literature review of primary source documents to collect historical and current policy and procedural guidelines. A survey is also used to gather data

from a wide variety of sources including Government contract offices, program management offices, Defense Contract Management Command (DCMC) offices, the Defense Contract Audit Agency (DCAA) and DoD prime contractors. Informal personal interviews were also conducted with a number of individuals involved in the process to help clarify questions and issues that were raised in some of the survey responses.

E. ORGANIZATION OF THE STUDY

The next chapter provides background information and a discussion of two drivers of acquisition reform and the policies and principles of the single process initiative.

Chapter III examines the research methodology used and includes a discussion of the selection of survey participants. The actual survey questions are provided in Appendix A. The Chapter also presents the numerical responses and summaries of the general ideas and trends that were contained in the survey responses. A compilation of all of the survey responses is provided in Appendix B.

Chapter IV provides an analysis of survey data.

The final chapter draws conclusions based upon the research data and analysis and makes specific recommendations resulting from the research effort. This

chapter concludes with recommended areas for additional research.

II. BACKGROUND

A. ACQUISITION REFORM

The disintegration of the Warsaw Pact Alliance and the collapse of the Soviet Union pose new political, economic and military challenges for the United States and the United States Military. A result of these changes is a dramatic shift in the perceived military threat to the United States throughout the world. This shift in perceptions has been a remarkable catalyst for change in the United States military establishment.

The Post-Cold War era military establishment, which includes the public and private support structure, has experienced base realignment and closures, budget cuts, downsizing, right sizing, early retirements, reductions in force and corporate mergers. These activities are efforts to align the military establishment with the political, social and technological realities of the day. While the military continues to downsize, it is still required to conduct most of the same missions as before, as well as conducting new types of operations that were not required in the past. While continuing to maintain a significant world military presence, the military budget and manning levels have been significantly reduced. Maintaining and improving current

capabilities, while simultaneously managing the reduction of resources available, can only be accomplished through improved efficiencies at almost every level of the organization. Acquisition reform is the Department of Defense's attempt to gain these required efficiencies.

Additionally, the impressive improvement in the private sector's technology, manufacturing and quality control systems, means the military is often no longer the driving force behind many advanced innovations and developments. Military specifications were used in the past because it was believed that commercially manufactured items did not meet rigid military performance requirements. Commercial industry now leads the way in many product development and improvement initiatives, and it is recognized that many items manufactured to commercial specifications either meet or exceed military requirements. The ability to buy standard commercial items or military items manufactured to commercial specifications represents a significant change and has necessitated corresponding changes in the acquisition process. This need for change is another driver behind acquisition reform.

1. Coopers and Lybrand Study

In 1994, at the request of then Deputy Secretary of Defense William Perry, a joint Coopers and Lybrand/TASC project team was tasked with assessing the Department of Defense (DoD) regulatory associated costs to industry.

Specifically they were tasked to:

- 1) develop and employ a credible, systematic, empirically based approach to assessing the industry cost impact of specific DoD regulations,
- 2) measure the overall impact of the DoD regulatory environment on contractor's costs, and
- 3) identify the key regulatory cost drivers and describe how they impact contractors' business processes.[Ref 12:p.1]

While many studies have been conducted in the past which attempted to assess the impact of DoD acquisition regulations on contractor's costs, the Coopers and Lybrand Study is the most extensive and is the first attempt to tie actual compliance costs to specific DoD regulatory requirements. [Ref 12:p.3] The study identified 120 DoD policies and/or regulations which were potential cost drivers for industry and assessed the impact of the policies at ten DoD contractor facilities. The study determined that on average, within the ten facilities examined, the additional cost which can be directly attributed to specific DoD policies and regulations is approximately 18 percent of the total value added costs of DoD contracts. The study

further concluded that nearly half of the costs were directly attributable to the following 10 key cost drivers:

1. MIL-Q-9858A (DoD Quality Program Requirements)
2. Truth In Negotiations Act (TINA)
3. Cost/Schedule Control Systems (C/SCS)
4. Configuration Management Requirements
5. Contract Specific Requirements
6. DCAA/DCMC Interface
7. Cost Accounting Standards (CAS)
8. Material Management Accounting System (MMAS)
9. Engineering Drawings
10. Government Property Administration

In almost every instance noted in the study, there was concurrence between the Government and industry that the objectives and general framework of the above listed drivers were generally desirable. However, most were noted as either having excessive requirements or duplicated generally accepted commercial best practices. The study concluded that:

...the site assessment results demonstrated beyond a reasonable doubt that DoD acquisition regulations and oversight impose significant costs on the defense contractors. [Ref 12:p.53]

Additionally they concluded that, as mentioned above, a significant portion of those compliance costs were concentrated in a small number of areas, and reductions in those compliance costs were not only desirable, but were also achievable over a number of years. The report recommended that actions be initiated to address the top 10 cost drivers specifically, as significant savings could be

achieved by concentrating on this relatively small number of cost drivers. One initiative being used to try and reduce certain types of excess costs associated with doing business with the DoD is the single process initiative.

B. THE SINGLE PROCESS INITIATIVE

1. Policy

One tenet of acquisition reform is that performance specifications and generally accepted industry practices should be used to the maximum extent possible when contracting for goods and services. In fact, the acquisition reform office of the Office of the Secretary of Defense for Acquisition and Technology believes that:

Removing requirements that are uniquely imposed on federal contractors is the single most important step DoD, the Administration and Congress can take to help defense contractors compete successfully in today's global commercial marketplace, to ensure DoD will have access to a national industrial base that can meet its needs, to ensure DoD will have access to the latest state-of-the-art technology, and to assist DoD in reducing its acquisition costs. [Ref 8:p.9]

In support of this policy, then Secretary of Defense Perry issued a memorandum on June 29, 1994, directing the use of performance specifications to the maximum extent practicable in DoD procurements, and called for the development of a "streamlined procurement process to modify existing contracts" in order to efficiently replace the

existing military specifications and standards with industry wide practices. [Ref 9] This memorandum requires that new procurements be made citing performance standards rather than military specifications and standards, and authorized the modification of existing contracts, wherever possible, to implement the new performance specification criteria.

As contracts stipulating the use of performance specifications and industry-wide practices have been awarded to contractors performing existing contracts citing government specifications, the contractors are forced to use two methods or systems instead of only one. It has also been recognized that contractors were not only operating under multiple specifications, but were also operating under multiple Government unique management and manufacturing systems. These unique management and manufacturing systems were generally designed to accomplish the same purposes, and without eliminating these multiple processes in new and existing contracts, realization of the full benefit of these policy changes is severely limited. The incongruence between new and old contracts degrades rather than improves efficiency. This inefficiency of operating multiple management systems within a single facility was addressed by Secretary Perry, in a December 6, 1995 memorandum which directs:

block changes to the management and manufacturing requirements of existing contracts be made on a facility wide basis, to unify management and manufacturing requirements within a facility, wherever such changes are technically acceptable to the Government.[Ref 9]

This memorandum initiated the use of expedited block changes and a process that has come to be known as the Single Process Initiative (SPI). A block change has been defined as "a contract modification that implements a common process across all defense contracts at a contractor's plant." [Ref 1] Direction was given in this memorandum to make block changes to the management and manufacturing requirements of existing contracts on a facility-wide basis wherever such changes are technically acceptable. On 8 December 1995, the Under Secretary of Defense for Acquisition and Technology (USD[A&T]) issued further clarifying guidance on making the block changes to existing contracts. In the spirit of acquisition reform this process is an expedited, streamlined approach which deviates from the standard DoD "business as usual" procedures.

The 8 December 1995 memorandum outlines the general process that is to be followed to implement the initiative as illustrated in Figure 1. A key principle of the single process initiative is that the Government must be proactive in promoting the initiative and should provide significant guidance to the contractor to prepare and submit proposals.

Block Change Process Overview

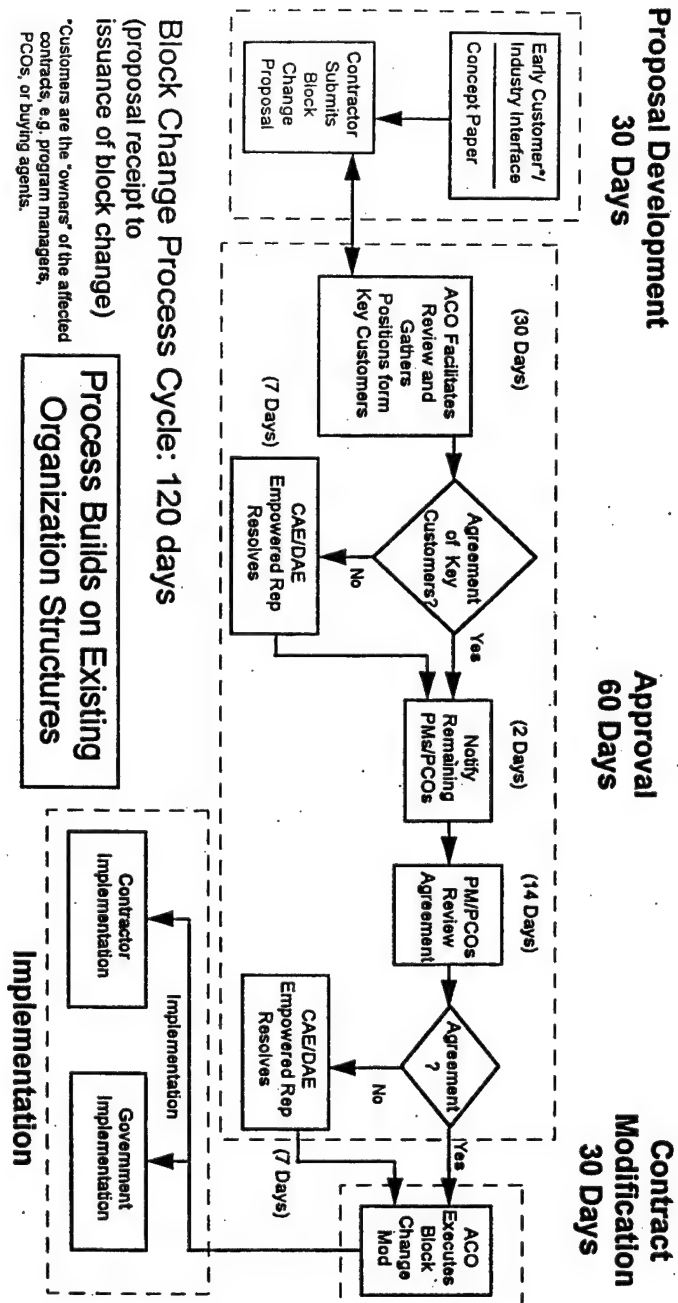


Figure 1. From Ref. 5.

The Administrative Contracting Officer (ACO) is specifically charged with encouraging the contractor to submit a concept paper describing a process or processes that can be changed or made more uniform. The contractor prepares and submits a concept paper including a cost benefit analysis to the ACO for review. The ACO assembles a team of representatives from all effected agencies to review the technical merits of the proposed change. If the change is acceptable to all involved, and there are no significant cost implications, the ACO issues a block change modification to all effected contracts without seeking an equitable adjustment. [Ref 5:p.1] The process promotes an expedited review and seeks implementation of the proposal, via a block change to the contracts, within 120 days. In order to achieve this goal, close communication between the contractor and the Government and between the various Government agencies and programs is absolutely critical.

2. Guidelines

The Defense Contract Management Command (DCMC) plays a pivotal role in the single process initiative. DCMC is designated as the lead facilitator in implementing the plant-wide changes because of their unique relationship to both the contractors and the program office, and the fact that ACOs have been delegated the authority to issue the

block changes. [Ref 5:p.2] The first responsibility assigned the ACO is to educate contractors about the single process initiative and to advise contractors how to prepare and submit concept papers. DCMC coordinates the SPI proposal review, and issues policy and implementation guidance. Contractors are encouraged to consider any common process approach that may realize a cost, schedule or performance benefit for both the contractor and the Government. Contractors wishing to participate in the single process initiative and modify an existing procedure are required to submit a concept paper which should include a cost/benefit analysis, sufficient to identify a rough order of magnitude of the cost and technical impact of the proposed common process change.

3. Goals/Objectives

The transition from multiple Government-unique management and manufacturing systems to facility-wide standard industry systems is anticipated to reduce costs both for the Government and contractors in the long-term. In the short-term however, it is believed that contractors will incur increased transition costs. The belief that, over time these cost tradeoffs will balance out, means that costs play a relatively small role in the block change process. Except for cases where large short and long-term

cost reductions are anticipated, the only requirement to approve a block change is that it be technically acceptable to all parties involved. [Ref 5]

4. Implementation

a. Teaming

In the spirit of acquisition reform, and because proposed changes may affect many different organizations, the SPI proposal review and approval process relies heavily on the integrated product team concept. There are two primary teams established to review a submitted concept paper. The initial team is the Contract Administration Office (CAO) Management Council. This team consists of senior level management representatives from the CAO, the cognizant DCAA office, the contractor and subject matter experts from affected customers. Customers are generally considered to be the various program managers and agencies who receive products or services from the specified contractor. The Management Council performs the initial review of the concept paper and determines whether the proposal has potential for implementation. The Management Council obtains additional data as required and addresses the acceptability of the proposal for further evaluation. [Ref 14:p.1] The purpose of the Management Council review

is to provide a "quick look" assessment of the proposed change and inform the ACO as soon as possible whether further action is required.

Once the initial assessment is completed, and it has been decided that the proposed change is a viable option, a second and more complex phase of proposal review begins. A component team leader is designated from each agency that is effected by the proposed change. Normally the component team leader is assigned from the largest dollar value customer or program office of each agency. Each component team leader is responsible for coordinating the review by customers within their respective agencies. Once agreement has been reached on the technical acceptability of the proposed change, within all the agencies, the ACO is authorized to issue a block change modification to all affected contracts.

The large number of potential 'Players' in this process could cause unacceptable delays in a process that is supposed to be streamlined and efficient. In order to prevent unnecessary delays due to disagreements between members, a very clear chain of command for the approval process has been established. The component team leader is responsible for coordinating the review process within their respective components. Disagreements within components will

be resolved by the component acquisition executive and disagreements between agencies will be resolved by the defense acquisition executive. [Ref 14:p.2]

b. *The Concept Paper and Cost Benefit Analysis*

Each contractor desiring to change a process must submit a concept paper accompanied by a cost benefit analysis sufficient to provide a rough order of magnitude estimate of cost implications. The ACO is responsible for ensuring that the cost benefit analysis is adequate for review. Cost benefit analysis should be based on

...empirical data, should include major activities needed to implement the process, and an estimated cost for each; and should identify those requirements to be deleted along with an estimated annual savings to both existing and future contracts. [Ref 13]

Both DCMC and DCAA have issued specific guidance for review of the cost benefit analysis. A few key points of analysis are that the cost benefit analysis should include implementation costs, estimated savings on existing contracts and estimated savings that will reflect in forward pricing. Estimated costs should be broken down by direct and indirect costs and the annual future savings should cover the period of the contractors indirect rate forecast. Rationale should be provided to support significant

implementation costs and savings. [Ref 15] An important concept is, that the cost benefit analysis needs only to support a rough order of magnitude estimate and certified cost or pricing data will not be required. The level of detail required in a cost benefit analysis is not defined and it is the responsibility of the ACO to decide whether it is adequate or not. If it is determined that a significant cost savings will be gained, then subsequent cost proposals may be requested in order to negotiate final contract adjustments. If the short-term cost savings are insignificant however, a block change will be initiated at no cost to the government and without a request for equitable adjustment.

C. SUMMARY

The purpose of this chapter was to provide a brief background on acquisition reform and to introduce the concept and policies of the single process initiative. This chapter has briefly discussed some of the drivers behind acquisition reform. It also discussed the findings of the joint Coopers and Lybrand/TASC study which identified specific regulatory and policy requirements which add unnecessary costs to DoD contracts. Finally the chapter discussed the single process initiative and its attempt to

help reduce these additional costs.

III. PRESENTATION OF DATA

A. INTRODUCTION

The data presented in this study were gathered through a survey distributed to 60 personnel, identified as organizational points of contact for the Single Process Initiative at their respective organizations and commands. Potential Survey participants were identified through various methods. The researcher used the DCMC home page as a source of SPI points of contact at DCMC regional and in-plant offices and various DoD program offices. Contractor points of contact were also available on the home page for some contractors who had approved concept papers. Additional contractor points of contact were provided by various DCMC personnel. Each respondent was contacted by telephone to ask if they would participate in the survey and to establish that they were an organizational point of contact for SPI. An organization's SPI point of contact may work in almost any acquisition related job, therefore survey participants held various positions including, contracting officer, quality assurance supervisor, program manager, vice president for production and DCMC Commander. The varied occupations provided a broad spectrum of insight into SPI, while the common denominator remained that they all consider

themselves to be the organizational points of contact.

The survey consists of thirty-three questions designed to provide pertinent information to answer the primary and secondary research questions. A sample survey is included as Appendix A. The survey questions were developed to be primarily general in nature and to capture the respondents perceptions and impressions of SPI. In many cases one's perception is reality and since benefits from SPI are very difficult to quantify, the perception of success or failure may be more important than the reality. Additionally, DCMC tracks very specific information on number, type and dollar value of concept papers submitted by each contractor participating in the system. The researcher believes that to request this type of specific information would have been duplicative and would have reduced the number of participants willing to participate.

Thirty-three surveys were sent to Government representatives and 27 were sent to industry representatives. A total of 43 surveys were returned, 25 from the Government and 18 from industry. In order to ensure candid and forthright responses to the survey questions, each participant was assured that he would remain anonymous and that neither his name nor his organization would be revealed in this study.

The survey was designed to help answer the primary and secondary research questions and to help identify successful policies and primary barriers to the successful implementation of SPI.

The survey consisted of 33 questions. Survey respondents were encouraged to elaborate on any response. The survey was not intended to be a statistically significant sampling of responses, but rather a collection of opinions from "experts" currently participating in SPI.

In almost every case, the responses provided on the surveys were short phrases intended to communicate the respondents thoughts without the need to use correct grammar and sentence structure. Since many of the comments provided on the surveys are meaningless when not provided in the proper context, the responses are not reproduced here. Appendix B provides a compilation of all of the responses provided on the surveys. The following sections present the general ideas and trends that were contained in the survey responses.

B. SURVEY RESPONSES

1. Question One

How did you first learn about the Single Process Initiative?

a. Cumulative Responses

The responses to question one are summarized in Table 1.

Table 1. Responses to question one.

| | Responses | Total | Govt | Ktr |
|----|---|-------|------|-----|
| a. | Local DCMC representative | 16 | 7 | 9 |
| b. | Government Program Office | 2 | 2 | 0 |
| c. | Government Contracting office | 2 | 1 | 1 |
| d. | Government agency SPI home page | 0 | 0 | 0 |
| e. | DCMC SPI Team road show or workshop | 4 | 4 | 0 |
| f. | Supplier/Industry Conference | 1 | 0 | 1 |
| g. | Government and Industry Data Exchange Program (GIDEP) | 0 | 0 | 0 |
| h. | Trade Association newsletter or publication | 2 | 0 | 2 |
| i. | Other, please specify | 16 | 11 | 5 |

b. Government Responses

There was no single primary method identified by the Government respondents. The most frequently cited method was local DCMC representatives. The second most common method identified, which fell under the option of other, was the policy memorandum issued by the Office of the Secretary of Defense (OSD) in December 1995.

c. Contractor Responses

The primary means by which industry representatives learned about SPI was through their local DCMC representative. Other common means identified were by internal company memorandum and the OSD policy memorandum.

2. Question Two

To your knowledge, what are the different methods that DoD is using to promote the single process initiative?

a. Cumulative Responses

The responses to question two are summarized in Table 2.

Table 2. Responses to question two.

| | Responses | Total | Govt | Ktr |
|----|---|-------|------|-----|
| a. | Local DCMC representative | 40 | 23 | 17 |
| b. | Government Program Office | 23 | 16 | 7 |
| c. | Government Contracting office | 21 | 14 | 7 |
| d. | Government agency SPI home page | 36 | 21 | 15 |
| e. | DCMC SPI Team road show or workshop | 34 | 24 | 10 |
| f. | Supplier/Industry Conference | 26 | 15 | 11 |
| g. | Government and Industry Data Exchange Program (GIDEP) | 5 | 2 | 3 |
| h. | Trade Association newsletter or publication | 23 | 14 | 9 |
| i. | Other, please specify | 12 | 4 | 8 |

b. Government Responses

As the data indicate, the Government personnel were very aware of the many different means that are currently being used to promote SPI. The most frequent responses were DCMC road shows and workshops, local DCMC representatives and Government agency home pages. Less frequent, but still mentioned by over 50 percent of the respondents, were Government program offices, Government contracting offices and supplier/industry conferences.

c. Contractor Responses

Similar to the Government responses, the local DCMC representative, Government agency home pages and DCMC road shows and workshops were the most frequent responses. Supplier/industry conferences had a higher percentage of responses than from the Government personnel, while program offices and contracting offices were listed less frequently.

3. Question Three

Of the methods listed above which do you believe have been the two most effective promotion methods?

a. Cumulative Responses

The methods cited as being most effective by both Government and contractor respondent are presented in Table

3.

Table 3. Cumulative responses to question three.

| Method | Number of Responses |
|--|---------------------|
| Local DCMC representative | 27 |
| Supplier/Industry Conference | 17 |
| Government agency SPI home page | 10 |
| DCMC SPI Team road show or workshop | 10 |
| Government Program Office | 5 |
| Government Contracting Office | 3 |
| Trade Association newsletter or publication | 3 |
| Internal company initiative | 3 |
| SPI management council | 2 |
| Office of Secretary of Defense policy memorandum | 1 |
| N/A | 2 |

The local DCMC representative was cited by about 63 percent of the respondents. The next most frequent responses were supplier/industry conferences, Government agency home pages and the DCMC SPI team road show and workshops.

b. Government Responses

The methods cited as being most effective by the Government respondents are presented in Table 4.

Table 4. Government responses to question three.

| Method | Number of Responses |
|--|---------------------|
| Local DCMC representative | 18 |
| Supplier/Industry Conference | 9 |
| Government agency SPI home page | 7 |
| DCMC SPI Team road show or workshop | 6 |
| Government Program Office | 4 |
| Government Contracting Office | 1 |
| Trade Association newsletter or publication | 1 |
| Internal company initiative | 0 |
| SPI management council | 2 |
| Office of Secretary of Defense policy memorandum | 1 |
| N/A | 1 |

The local DCMC representative was cited by about 72 percent of the Government respondents. The next most frequent responses were supplier/industry conferences, Government agency home pages and the DCMC SPI team road show and workshops.

c. Contractor Response

The methods cited as being most effective by the contractor respondent are presented in Table 5.

Table 5. Contractor responses to question three.

| Method | Number of Responses |
|--|---------------------|
| Local DCMC representative | 9 |
| Supplier/Industry Conference | 8 |
| Government agency SPI home page | 3 |
| DCMC SPI Team road show or workshop | 4 |
| Government Program Office | 1 |
| Government Contracting Office | 2 |
| Trade Association newsletter or publication | 2 |
| Internal company initiative | 3 |
| SPI management council | 0 |
| Office of Secretary of Defense policy memorandum | 0 |
| N/A | 1 |

The local DCMC representative was cited by 50 percent of the respondents. The next most frequent responses were supplier/industry conferences, Government agency home pages, the DCMC SPI team road show and workshops and internal company initiatives.

4. Question Four

Why in your opinion have these methods been effective?

a. *Government Responses*

There were a vast number of different responses provided for this question, however the majority of the responses focused on two issues: 1) The opportunity for direct interaction between the persons disseminating and receiving the information and 2) an ability to disseminate a large amount of information to a geographically dispersed audience. Any method that dealt with face-to-face communication was deemed to be effective because it allowed for direct communication. Also, face-to-face communication helped convey the Government's commitment to the SPI initiative. Other methods such as supplier conferences and Government agency home pages were deemed effective because they were capable of efficiently disseminating large amounts of information to a large dispersed population base. The Local DCMC representative, Government program office and Contracting office were categorized as falling into the first method of face to face communication. Supplier/industry conferences, home pages, road shows and workshops fell into the second category in which a large amount of information can be provided to a very large population base very efficiently.

b. Contractor Responses

Responses from the contractor personnel paralleled closely the responses from the Government personnel and were, for the most part, indistinguishable from each other. One trend that appeared more prominently in the contractor responses was the idea that direct face to face contact with the Government representatives indicated a stronger sense of commitment to the process than communication by any of the other listed methods.

5. Question Five

Please identify methods, that are being used, that you consider to be ineffective?

a. Government Responses

The majority of the respondents did not answer this question or indicated that it was not applicable. Of those who did respond however, the most commonly listed methods believed to be ineffective were DCMC road shows and Government agency home pages. There were only three responses for each however, which represents less than 16 percent of those who responded to this question and less than 12 percent of the total Government respondents. The most frequent response indicated that no method was completely ineffective, but some were more effective than others.

b. Contractor Responses

The majority of respondents answered this question, but there was a wide range of answers and very little concurrence among the responses. The method listed most often as being ineffective was the Government Information Data Exchange Program (GIDEP), followed by Government program offices. Road shows, conferences, home pages and local DCMC representatives were also listed, but only by one or two respondents.

6. Question Six

Can you recommend other methods that might be more effective in promoting the initiative?

a. Government Responses

There were few suggestions given for methods that would better promote the program. The most often cited alternative method was better or increased promotion of success stories and processes that have already been approved. Other suggestions included making SPI an agenda item during acquisition reform days and encouraging a mentor-protege type program for SPI.

b. Contractor Responses

Similar to the Government respondents, there were few suggestions provided by contractor respondents of ways

to promote the process more effectively. The most frequently cited suggestion was to increase support and promotion within the Government program and buying offices. Another suggestion was better or increased promotion of success stories and processes that have already been approved.

7. Question Seven

As a DoD contractor, have you been involved in promoting the single process initiative with your subcontractors/suppliers?

a. Government Responses

This question was not applicable to the Government respondents.

b. Contractor Responses

Thirteen of the contractor respondents indicated yes, that they have been involved in promoting SPI with their subcontractors/suppliers and five indicated no, that they had not been involved in implementing SPI with their subcontractors/suppliers.

8. Question Eight

If yes, what methods have your company used?

a. Government Responses

This question was not applicable to the Government respondents.

b. Contractor Responses

The contractor respondents who answered yes to question eight identified three primary means for promoting the initiative with their suppliers: 1) letters to their suppliers explaining the initiative and requesting responses, 2) discussion of the initiative at "supplier days" and supplier conferences and 3) reliance on industry conferences to promote the process.

9. Question Nine

Do you think these methods have been effective?

a. Contractor Responses

Eight of the contractor respondents indicated that they believed their methods had been effective, while four indicated that their methods had not been effective and one contractor respondent did not answer the question.

10. Question Ten

How many concept papers has your company submitted under the single process initiative?

a. Cumulative Responses

The total number of concept papers submitted by each respondent are summarized by category in Table 6.

Table 6. Total concept papers submitted.

| 1-5 | 6-10 | 11-15 | 16-20 | 21-30 | 31 and over | N/A |
|-----|------|-------|-------|-------|-------------|-----|
| 13 | 6 | 3 | 4 | 3 | 4 | 10 |

The intent of this question was to determine the amount of experience a participant had working with SPI, by identifying the number of concept papers they had processed. The wording of the question may have confused many of the Government respondents, since they did not answer the question. The researcher had telephone conversations with each respondent prior to sending a survey and each respondent indicated that they had had experience with at least one concept paper. For purposes of this analysis however, only those responses of one or more were analyzed. As the data indicate, the amount of exposure to SPI varied significantly from a low of one concept paper to a high of 126. Over one half of those that responded to this question had experience with less than 10 concept papers.

b. Government Responses

The total number of concept papers submitted by the Government respondents are summarized by category in Table 7.

Table 7. Government concept papers submitted.

| 1-5 | 6-10 | 11-15 | 16-20 | 21-30 | 31 and over | N/A |
|-----|------|-------|-------|-------|-------------|-----|
| 5 | 3 | 1 | 1 | 3 | 2 | 10 |

Because of the ambiguity of the question as it pertained to Government offices, a large number of the Government respondents did not answer this question. Of those that did, the range of data went from one concept paper to 41.

c. Contractor Responses

The total number of concept papers submitted by the contractor respondents are summarized by category in Table 8.

Table 8. Contractor concept papers submitted.

| 1-5 | 6-10 | 11-15 | 16-20 | 21-30 | 31 and over | N/A |
|-----|------|-------|-------|-------|-------------|-----|
| 8 | 3 | 2 | 3 | 0 | 2 | 0 |

All contractor respondents answered this question and indicated that every respondent had at least some experience with SPI. The range of data went from a low of

one to a high of 126 concept papers.

11. Question Eleven

In your experience, have concept papers been approved within the 120-day goal?

a. Cumulative Responses

The cumulative responses to question eleven are presented in Table 9.

Table 9. Cumulative responses to question eleven

| | Response | Number of Responses |
|----|------------------------------|---------------------|
| a. | All of the time (100%) | 13 |
| b. | Most of the time (about 75%) | 14 |
| c. | Some of the time (about 50%) | 8 |
| d. | Rarely (about 25%) | 4 |
| e. | Never (0%) | 2 |
| f. | N/A | 2 |

These data indicate that about 30 percent of concept papers were approved within the 120-day goal, while about 65 percent of the concept papers were not.

b. Government Responses

The Government responses to question eleven are presented in Table 10.

Table 10. Government responses to question eleven

| | Response | Number of Responses |
|----|------------------------------|---------------------|
| a. | All of the time (100%) | 8 |
| b. | Most of the time (about 75%) | 5 |
| c. | Some of the time (about 50%) | 5 |
| d. | Rarely (about 25%) | 4 |
| e. | Never (0%) | 1 |
| f. | N/A | 2 |

These data indicate that Government respondents believe that about 32 percent of concept papers were approved within the 120-day goal, while about 60 percent of the concept papers were not.

c. Contractor Responses

The Contractor responses to question eleven are presented in Table 11.

Table 11. Contractor responses to question eleven

| | Response | Number of Responses |
|----|------------------------------|---------------------|
| a. | All of the time (100%) | 5 |
| b. | Most of the time (about 75%) | 9 |
| c. | Some of the time (about 50%) | 3 |
| d. | Rarely (about 25%) | 0 |
| e. | Never (0%) | 1 |
| f. | N/A | 0 |

These data indicate that contractor respondents believe that about 28 percent of concept papers were approved within the 120-day goal, while about 72 percent of the concept papers were not.

12. Question Twelve

In your opinion is the 120 day goal realistic and achievable?

a. Cumulative Responses

Thirty-three respondents answered yes, that the 120-day goal was realistic and achievable, while nine respondents answered no and one respondent did not answer the question. This indicates that about 77 percent of the respondents believed that the 120-day goal was achievable

while about 21 percent did not.

b. Government Responses

Eighteen Government respondents answered yes, that the 120-day goal was realistic and achievable, while six respondents answered no and one respondent did not answer the question. This indicates that about 72 percent of the Government respondents believed that the 120-day goal was achievable while about 24 percent did not.

c. Contractor Responses

Fifteen contractor respondents answered yes, that the 120-day goal was realistic and achievable, while three respondents answered no. This indicates that about 83 percent of the contractor respondents believed that the 120-day goal was achievable while about 17 percent did not.

13. Question Thirteen

If you were to set the goal, what period of time would you set?

a. Cumulative Responses

The number of days recommended by all respondents are summarized in Table 12.

Table 12. Number of days recommended by all respondents.

| Days | none | 60 | 80 | 90 | 120 | 180 | 200 | 300 | 365 |
|------|------|----|----|----|-----|-----|-----|-----|-----|
| # | 1 | 3 | 1 | 2 | 24 | 8 | 1 | 1 | 1 |

The majority of respondents believed the 120-day goal was appropriate and would not change it. Six respondents would make the goal less than 120-days and 11 respondents would provide more than 120-days.

b. Government Responses

The number of days recommended by Government respondents are summarized in Table 13.

Table 13. Number of days recommended by Government respondents.

| Days | none | 60 | 80 | 90 | 120 | 180 | 200 | 300 | 365 |
|------|------|----|----|----|-----|-----|-----|-----|-----|
| # | 1 | 0 | 0 | 1 | 14 | 6 | 1 | 1 | 0 |

The majority of Government respondents believed the 120-day goal was appropriate and would not change it. One respondent would make the goal less than 120-days and eight respondents would provide more than 120-days. One Government respondent indicated that there should be no goal at all.

c. Contractor Responses

The number of days recommended by contractor respondents are summarized in Table 14.

Table 14. Number of days recommended
by contractor respondents.

| Days | none | 60 | 80 | 90 | 120 | 180 | 200 | 300 | 365 |
|------|------|----|----|----|-----|-----|-----|-----|-----|
| # | 0 | 3 | 1 | 1 | 11 | 2 | 0 | 0 | 1 |

The majority of contractor respondents believed the 120-day goal was appropriate and would not change it. Five respondents would make the goal less than 120-days and only three respondents would provide more than 120-days.

14. QUESTION FOURTEEN

What impediments have you experienced that delayed the approval process making the 120-day goal unachievable?

a. Government Responses

Many different reasons were given for why the process could be delayed from the Government perspective. One of the most frequently stated reasons was the complexity of the process, the difficulty in finding time and coordinating meetings among all key players from multiple organizations. Another frequent response attributed delays to people not embracing the process and not understanding the precepts of acquisition reform. Other reasons cited include, the need to collect more information on improperly prepared concept papers, the difficulty in addressing changes to the FAR and DFARS, and reviewer inaction. Only

two respondents indicated that disagreement over technical issues resulted in the process being delayed.

b. Contractor Responses

Similar to the Government responses for this question, there were a large number of differing reasons stated by the contractor respondents. The most frequent response addressed the inability of certain individuals in the process to accept the cultural change and a lack of understanding of acquisition reform precepts. Other responses included the difficulty and complexity of the coordination effort, the difficulty in dealing with proposed changes to the FAR and DFARS, and a requirement to provide additional information.

15. Question Fifteen

Were these impediments specific for only certain concept papers or do you believe they were systemic problems?

a. Government Responses

Seventeen of the 25 Government respondents believed that the impediments they listed in question number fourteen were systemic problems. Four respondents indicated that the impediments were not systemic, but were only applicable to certain concept papers. Four respondents did not answer this question.

b. Contractor Responses

Ten of the 18 contractor respondents believed that the impediments they listed in question number 14 were systemic. Two respondents indicated that the impediments were not systemic, but were only applicable to certain concept papers. Six respondents did not answer this question.

16. Question Sixteen

In your experience, what have been the primary barriers that have kept a company from submitting a concept paper?

a. Government Responses

There were many different barriers stated for why a company would not submit a concept paper. The most frequent response indicated that a lack of understanding of the process by companies would keep them from submitting a concept paper. The next most frequent opinion addressed a lack of resources to commit to the process. Other responses addressed the following concerns: 1) SPI is only a short-term fad and will go away soon, 2) concept papers would not be approved anyway so why submit one, and 3) contractors do not want to have to pay the Government consideration for adopting the initiative.

b. Contractor Responses

The most frequent responses to this question by contractor personnel dealt with the large quantity of work that the process requires and the perception that there is minimal if any payback. In fact, some respondents stated that the need to pay consideration was a barrier to submission, or the incentives and potential payback did not outweigh the cost of concept paper submission. Other reasons listed included a belief that the program office would not approve the concept anyway, a lack of understanding of the process, the inability to identify potential savings even though the process may be better, and the inability to change laws and regulations.

17. Question Seventeen

In your experience, what have been the primary barriers that have kept a concept paper from being approved?

a. Government Responses

The most frequent responses to this question addressed the lack of desire to change and reluctance to relinquish certain responsibilities and control. The term "rice bowls" was used in many of the responses to this question. The second most frequent response addressed the program managers and their aversion to risk. The impression was given that acceptance of a concept paper would increase

the risk to the program manager because he would be relinquishing a certain amount of control. Other reasons given include, incomplete concept papers, a lack of coordination prior to submission of the concept paper and an inability to approve concepts that change law and regulation. Only one response indicated a lack of technical acceptability as a reason for concept papers not being approved.

b. Contractor Responses

Contractors provided fewer reasons why concept papers were not approved, however, the most frequently cited reasons were similar to the Government responses. Contractors addressed the fear of change and cultural issues as being the primary reasons that concept papers were not approved. The next most frequently cited reason was the inability to approve changes in law or regulation. The complexity of the process, inability to get all members of the management council to agree and program manager unreasonableness were also cited as reasons.

18. Question Eighteen

What barriers/impediments can you identify for single process initiative concept papers to be submitted and approved between prime and subcontractors.

a. Government Responses

The Government responses to this question focused on three areas. The first was the prime contractors' desire to not relinquish control of certain processes and therefore potentially accept greater risk. The second issue concerns the complexity of the prime-subcontractor relationship, especially when a subcontractor has many prime contractors. The third issue addressed was a lack of knowledge of the process and the difficulty for a prime contractor to establish a program with its subcontractors. Many respondents indicated that there were no identifiable impediments to approval.

b. Contractor Responses

Contractor responses to this question were similar to the Government responses. The most frequent response indicated that there were no identifiable impediments. The next most frequent response addressed the desire of the prime to maintain control over subcontractors' processes. Other impediments included subcontractors' lack of education in the process and the difficulty of coordination when a subcontractor has multiple prime contractors.

19. Question Nineteen

To your knowledge, what are the primary criteria that the Government uses in deciding whether to approve or disapprove a concept paper?

a. Cumulative Responses

The cumulative responses to question nineteen are presented in Table 15.

Table 15. Cumulative responses to question nineteen.

Importance of Criteria(1-8) with one being the highest and number of responses.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Responses |
|----|----|----|---|---|---|---|----|---|
| 4 | 5 | 13 | 7 | 3 | 5 | 0 | 0 | Reduced manufacturing and management costs |
| 4 | 6 | 5 | 3 | 0 | 4 | 9 | 3 | Simplified business practices |
| 22 | 3 | 2 | 2 | 6 | 1 | 2 | 1 | Technically acceptable |
| 3 | 4 | 5 | 3 | 6 | 5 | 6 | 2 | Identified or anticipated short-term savings/cost avoidance |
| 1 | 7 | 5 | 6 | 5 | 5 | 5 | 4 | Identified or anticipated long-term savings/cost avoidance |
| 1 | 10 | 2 | 6 | 3 | 6 | 6 | 4 | Adequacy of cost benefit analysis |
| 6 | 6 | 6 | 7 | 5 | 3 | 2 | 1 | Improved cost, schedule or technical performance |
| 2 | 1 | 5 | 1 | 4 | 2 | 1 | 17 | Reduced contact administration requirements |

The primary criteria cited by both groups was technical

acceptability, followed by adequacy of benefit analysis and reduced manufacturing and management costs.

b. Government Responses

The Government responses to question nineteen are presented in Table 16.

Table 16. Government responses to question nineteen.

Importance of Criteria (1-8) with one being the highest and number of responses.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Responses |
|----|---|---|---|---|---|---|---|---|
| 3 | 3 | 8 | 4 | 0 | 3 | 0 | 0 | Reduced manufacturing and management costs |
| 3 | 5 | 4 | 2 | 0 | 1 | 3 | 1 | Simplified business practices |
| 11 | 2 | 2 | 2 | 4 | 1 | 1 | 0 | Technically acceptable |
| 2 | 2 | 2 | 2 | 3 | 2 | 5 | 1 | Identified or anticipated short-term savings/cost avoidance |
| 1 | 4 | 2 | 2 | 5 | 4 | 2 | 2 | Identified or anticipated long-term savings/cost avoidance |
| 1 | 3 | 1 | 3 | 1 | 5 | 4 | 4 | Adequacy of cost benefit analysis |
| 3 | 4 | 4 | 4 | 2 | 1 | 1 | 1 | Improved cost, schedule or technical performance |
| 1 | 1 | 3 | 1 | 3 | 0 | 1 | 9 | Reduced contact administration requirements |

The primary criteria cited by the Government respondents was technical acceptability, followed by

simplified business practices and reduced manufacturing and management costs.

c. Contractor Responses

The contractor responses to question nineteen are presented in Table 17.

Table 17. Contractor responses to question nineteen:

Importance of Criteria(1-8) with one being the highest and number of responses.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Response |
|----|---|---|---|---|---|---|---|---|
| 1 | 2 | 5 | 3 | 3 | 2 | 0 | 0 | Reduced manufacturing and management costs |
| 1 | 1 | 1 | 1 | 0 | 3 | 6 | 2 | Simplified business practices |
| 11 | 1 | 0 | 0 | 2 | 0 | 1 | 1 | Technically acceptable |
| 1 | 2 | 3 | 1 | 3 | 3 | 1 | 1 | Identified or anticipated short-term savings/cost avoidance |
| 0 | 3 | 3 | 4 | 0 | 1 | 3 | 2 | Identified or anticipated long-term savings/cost avoidance |
| 0 | 7 | 1 | 3 | 2 | 1 | 2 | 0 | Adequacy of cost benefit analysis |
| 3 | 2 | 2 | 3 | 3 | 2 | 1 | 0 | Improved cost, schedule or technical performance |
| 1 | 0 | 2 | 0 | 1 | 2 | 0 | 8 | Reduced contact administration requirements |

The primary criteria cited by the contractor

respondents was technical acceptability, followed by adequacy of cost benefit analysis and reduced manufacturing and management costs.

20. Question Twenty

What criteria do you believe are most important in deciding whether a concept paper should be approved or disapproved?

a. Government Responses

The criteria mentioned most often as being most important was the potential for reduced costs or increased cost avoidance over the long-term. The second most frequent response was technical acceptability. Other criteria mentioned include: simplified processes, benefit to the Government, and improved schedule.

b. Contractor Responses

The contractor respondents listed technical acceptability, cost savings and schedule improvement almost equally, but placed slightly more emphasis on technical acceptability. Other criteria listed include, implementation of commercial practices, improved efficiency and simplified procedures.

21. Question Twenty-one

Do you think that the Government and industry use the same acceptance criteria?

a. Cumulative Responses

Twenty-five of the respondents answered yes, they believed the Government and industry use the same acceptance criteria, while 17 answered no. One respondent did not answer this question. This indicates that about 58 percent of all respondents thought the same criteria were used and 40 percent thought it was not the same.

b. Government Responses

Sixteen of the Government respondents answered yes, they believed the Government and industry use the same acceptance criteria, while eight answered no. One respondent did not answer this question. This indicates that about 64 percent of the Government respondents thought the same criteria were used and 32 percent thought it was not the same.

c. Contractor Responses

Nine of the contractor respondents answered yes, they believed the Government and industry use the same acceptance criteria, while nine answered no. This indicates that 50 percent of all respondents thought the same criteria

were used and 50 percent thought it was not the same.

22. Question Twenty-two

If yes, do you believe they place the same amount of emphasis on these criteria?

a. Cumulative Responses

Fifteen of the respondents that answered yes to question twenty-one also answered yes to this question. They believed the Government and industry place the same amount of emphasis on the acceptance criteria. Eleven answered no and seventeen answered N/A because they had answered no to question twenty-one. This indicates that, of those respondents that believe the Government and industry use the same acceptance criteria, about 56 percent believe that the same amount of emphasis is placed on this criteria and about 44 percent believe that there is a difference in the emphasis.

b. Government Responses

Eight of the Government respondents that answered yes to question twenty-one also answered yes to this question. They believed the Government and industry place the same amount of emphasis on the acceptance criteria. Nine answered no and eight answered N/A because they had answered no to question twenty-one. This indicates that, of

those Government respondents that believe the Government and industry use the same acceptance criteria, about 47 percent believe that the same amount of emphasis is placed on this criteria and about 53 percent believe that there is a difference in the emphasis.

c. Contractor Responses

Seven of the contractor respondents that answered yes to question twenty-one also answered yes to this question. They believed the Government and industry place the same amount of emphasis on the acceptance criteria. Two answered no and nine answered N/A because they had answered no to question twenty-one. This indicates that, of those contractor respondents that believe the Government and industry use the same acceptance criteria, about 78 percent believe that the same amount of emphasis is placed in this criteria and about 22 percent believe that there is a difference in the emphasis.

23. Question Twenty-three

In your opinion, how important a role do potential costs savings and/or cost avoidance play in the approval process?

a. Cumulative Responses

The cumulative responses to question twenty-three are provided in Table 18.

Table 18. Cumulative responses to question twenty-three.

| | Response | Number of Responses |
|----|-------------|---------------------|
| a. | Significant | 19 |
| b. | Moderate | 12 |
| c. | Some | 7 |
| d. | Little | 5 |
| e. | None | 0 |

Nineteen of the respondents indicated that potential cost savings and/or cost avoidance play a significant role in the approval process, while 12 indicated moderate, seven indicated some, five indicated little and no respondent believed cost played no role in the approval process. About 44 percent of the respondents believed costs play a significant role in the approval process, and about 56 percent believe they play a moderate or less role in the process.

b. Government Responses

The Government responses to question twenty-three are summarized in Table 19.

Table 19. Government responses to question twenty-three

| | Response | Number of Responses |
|----|-------------|---------------------|
| a. | Significant | 11 |
| b. | Moderate | 5 |
| c. | Some | 4 |
| d. | Little | 5 |
| e. | None | 0 |

Eleven of the Government respondents indicated that potential cost savings and/or cost avoidance play a significant role in the approval process, while five indicated moderate, four indicated some, five indicated little and no Government respondent believed cost played no role in the approval process. About 44 percent of the respondents believed costs play a significant role in the approval process, and about 20 percent believe they play a moderate role, 16 percent indicated some role and 20 percent thought costs play only a small role in the process.

c. Contractor Responses

The Contractor responses to question twenty-three are summarized in Table 20.

Table 20. Contractor responses to question twenty-three

| | Response | Number of Responses |
|----|-------------|---------------------|
| a. | Significant | 8 |
| b. | Moderate | 7 |
| c. | Some | 3 |
| d. | Little | 0 |
| e. | None | 0 |

Eight of the contractor respondents indicated that potential cost savings and/or cost avoidance play a significant role in the approval process, while seven indicated moderate, three some and no contractor respondent believed cost played little or no role in the approval process. About 44 percent of the respondents believed costs play a significant role in the approval process, and about 39 percent believed they play a moderate role, while 17 percent indicated costs play only some role in the process.

24. Question Twenty-four

In your opinion, should potential cost savings and/or cost avoidance receive more or less emphasis in the decision process?

a. Cumulative Responses

Twenty-four of the respondents, about 56 percent, answered yes, potential cost savings and/or cost avoidance

should receive more emphasis in the decision process, while 19 of the respondents, about 44 percent, believed it should receive less emphasis.

b. Government Responses

Seventeen of the Government respondents, about 68 percent, answered yes, potential cost savings and/or cost avoidance should receive more emphasis in the decision process, while eight of the respondents, about 32 percent, believed it should receive less emphasis.

c. Contractor Responses

Seven of the contractor respondents, about 39 percent, answered yes, potential cost savings and/or cost avoidance should receive more emphasis in the decision process, while 11 of the respondents, about 61 percent, believed it should receive less emphasis.

25. Question Twenty-five

In your experience, does DoD require consideration as a prerequisite to concept implementation and contract modification?

a. Cumulative Responses

Eleven of the respondents, about 26 percent, believed that DoD requires consideration as a prerequisite to contract modification, while 31, about 72 percent,

believed consideration was not a prerequisite and one respondent did not answer the question.

b. Government Responses

Six of the Government respondents, about 24 percent, believed that DoD requires consideration as a prerequisite to contract modification, while 19, about 76 percent, believed consideration was not a prerequisite.

c. Contractor Responses

Five of the contractor respondents, about 28 percent, believed that DoD requires consideration as a prerequisite to contract modification, while 12, about 67 percent, believed consideration was not a prerequisite and one respondent did not answer the question.

26. Question Twenty-six

In your experience, does DoD have a preference for monetary consideration or non-monetary consideration?

a. Cumulative Responses

The cumulative responses to question twenty-six are provided in Table 21.

Table 21. Cumulative responses to question twenty-six.

| Response | # |
|----------------------------|----|
| Monetary consideration | 16 |
| Non-monetary consideration | 8 |
| Does not matter | 19 |

Sixteen of the respondents, about 37 percent, believed that DoD has a preference for monetary consideration, while eight respondents, about 19 percent, believed DoD has a preference for non-monetary consideration and 19, about 44 percent, believed that it does not matter.

b. Government Responses

The cumulative responses to question twenty-six are provided in Table 22.

Table 22. Government responses to question twenty-six.

| Response | # |
|----------------------------|----|
| Monetary consideration | 8 |
| Non-monetary consideration | 4 |
| Does not matter | 13 |

Eight of the Government respondents, about 32 percent, believed that DoD has a preference for monetary consideration, while four Government respondents, about 16 percent, believed DoD has a preference for non-monetary

consideration and 13, about 52 percent, believed that it does not matter.

c. Contractor Responses

The contractor responses to question twenty-six are provided in Table 23.

Table 23. Contractor responses to question twenty-six.

| Response | # |
|----------------------------|---|
| Monetary consideration | 8 |
| Non-monetary consideration | 4 |
| Does not matter | 6 |

Eight of the contractor respondents, about 44 percent, believed that DoD has a preference for monetary consideration, while four contractor respondents, about 22 percent, believed DoD has a preference for non-monetary consideration and six, about 34 percent, believed that it does not matter.

27. Question Twenty-seven

What role does the desire/need for consideration play in the single process initiative process?

a. Cumulative Responses

The cumulative response to question twenty-seven are summarized in Table 24.

Table 24. Cumulative responses to question twenty-seven.

| | Response | Number of Responses |
|----|-------------|---------------------|
| a. | Significant | 10 |
| b. | Moderate | 14 |
| c. | Some | 10 |
| d. | Little | 6 |
| e. | None | 3 |

Ten of the respondents indicated that the desire for consideration played a significant role in the process, while 14 indicated moderate, ten indicated some, six indicated little and three respondents believed the desire for consideration played no role in the process. About 23 percent of the respondents believed the desire for consideration played a significant role in the process, about 33 percent indicated moderate, 23 percent indicated some, 14 percent indicated little and seven percent indicated none.

b. Government Responses

The Government responses to question twenty-seven are summarized in Table 25.

Table 25. Government responses to question twenty-seven.

| | Response | Number of Responses |
|----|-------------|---------------------|
| a. | Significant | 4 |
| b. | Moderate | 11 |
| c. | Some | 6 |
| d. | Little | 3 |
| e. | None | 1 |

Four of the Government respondents indicated that the desire for consideration played a significant role in the process, while 11 indicated moderate, six indicated some, three indicated little and one Government respondent believed the desire for consideration played no role in the process. About 16 percent of the Government respondents believed the desire for consideration played a significant role in the process, about 44 percent indicated moderate, 24 percent indicated some, 12 percent indicated little and four percent indicated none.

c. Contractor Responses

The contractor responses to question twenty-seven are summarized in Table 26.

Table 26. Contractor responses to question twenty-seven.

| | Response | Number of Responses |
|----|-------------|---------------------|
| a. | Significant | 6 |
| b. | Moderate | 3 |
| c. | Some | 4 |
| d. | Little | 3 |
| e. | None | 2 |

Six of the contractor respondents indicated that the desire for consideration played a significant role in the process, while three indicated moderate, four indicated some, three indicated little and two contractor respondents believed the desire for consideration played no role in the process. About 33 percent of the contractor respondents believed the desire for consideration played a significant role in the process, about 17 percent indicated moderate, 22 percent indicated some, 17 percent indicated little and 11 percent indicated none.

28. Question Twenty-eight

In your experience, have there been any changes over time in the Government attitude or policies regarding the need for monetary consideration?

a. Cumulative Responses

Seventeen respondents, about 40 percent, answered yes, there have been changes over time in the Government's attitude regarding consideration. Twenty-four respondents, about 56 percent, answered no and two respondents did not answer the question.

b. Government Responses

Eight Government respondents, about 32 percent, answered yes, there have been changes over time in the Government's attitude regarding consideration and 17 Government respondents, about 68 percent, answered no.

c. Contractor Responses

Nine contractor respondents, about 50 percent, answered yes, there have been changes over time in the Government's attitude regarding consideration. Seven contractor respondents, about 39 percent, answered no and two contractor respondents did not answer the question.

If yes, how has this attitude changed?

d. Government Responses

The majority of responses to this question indicate that the attitude or policy for consideration had not changed overtime. Of those respondents that believed there had been a change over time, most stated that emphasis

on immediate consideration had been reduced.

e. Contractor Responses

The contractor responses to this question indicate that slightly more respondents believed there had been a change in the attitude towards consideration over time than those who believed it had not changed. Of those respondents that indicated there had been a change over time, the overwhelming majority believed that the desire for monetary consideration had decreased and was less important now than two years ago.

29. Question Twenty-nine

As a result of the single process initiative have you experienced an increase in the use of single management and manufacturing processes at your plant?

a. Cumulative Responses

Twenty-eight of the respondents, about 65 percent, answered yes, they had experienced an increase in the use of single management and manufacturing processes at their plants. Eight respondents, about 19 percent, answered no and seven respondents, about 16 percent, did not answer the question.

b. Government Responses

Thirteen of the Government respondents, about 52 percent, answered yes, they had experienced an increase in the use of single management and manufacturing processes at their plants. Five Government respondents, about 20 percent, answered no and seven respondents, about 28 percent, did not answer the question.

c. Contractor Responses

Fifteen of the contractor respondents, about 83 percent, answered yes, they had experienced an increase in the use of single management and manufacturing processes at their plants and three contractor respondents, about 17 percent, answered no.

30. Question Thirty

What are the primary benefits that your organization has gained through the use of single process initiative?

a. Government Responses

Roughly one third of the Government respondents felt that their organization had received no benefit from SPI, and in fact, some stated that it was a lot of work for no reward. Of those respondents that believed a benefit had been gained, the most commonly mentioned benefit was improved communication and improved understanding between

the Government and contractor personnel. Twenty percent of the respondents indicated that they had benefited from improved efficiencies and more standardized processes.

b. Contractor Responses

All contractor respondents indicated that they had received some benefit from SPI. The most frequently listed benefit was an increased use of standardized processes and procedures across their facilities. Also mentioned were a reduction in specifications, increased communication with Government personnel and improved efficiency and competitiveness.

31. Question Thirty-one

How might the process be improved?

a. Government Responses

There was no consensus by the Government respondents on how the process might be improved. Almost every respondent had a different suggestion, but there were certain trends that could be identified. A few respondents felt that success stories and successful processes from other companies needed to be shared more. There was also a desire to reduce the amount of oversight and reporting requirements that are involved in the SPI process. Other responses included elimination of the 120-day goal,

conducting more training about the process and more participation and risk taking by the agencies (program managers).

b. Contractor Responses

As with the Government suggestions, there is no general consensus from the contractor respondents as to how the system may be improved. Some of the issues addressed include a better mechanism for sharing process ideas that have already been approved and a more streamlined approval process for previously approved concepts. Several respondents recommended that the Government should improve the incentives for contractors to participate, improve agency and program manager involvement and establish a mechanism for making FAR and DFARS changes.

32. Question Thirty-two

Has the single process initiative helped to make your organization more competitive?

a. Cumulative Responses

Seventeen of the respondents, about 28 percent, answered yes, the single process initiative had helped to make their organization more competitive. Twelve respondents, about 28 percent, answered no and 14 respondents, about 32 percent, did not answer the question.

b. Government Responses

Five of the Government respondents, about 20 percent, answered yes, the single process initiative had helped to make their organization more competitive. Seven Government respondents, about 28 percent, answered no and 13 Government respondents, about 52 percent, did not answer the question.

c. Contractor Responses

Twelve of the contractor respondents, about 67 percent, answered yes, the single process initiative had helped to make their organization more competitive. Five contractor respondents, about 28 percent, answered no and one contractor respondent, about 5 percent, did not answer the question.

Why/Why not?

d. Government Responses

The most frequent Government responses to this question were either not applicable or no. Only 20 percent of the respondents indicated that their organizations had become more competitive. The examples provided typically referred to how the contractor had become more competitive, therefore this questions appears to be not applicable for Government offices.

e. Contractor Responses

About 67 percent of the contractor respondents indicated that their organizations had become more competitive as a result of SPI. Most respondents cited reduced manufacturing costs as a result of more streamlined and standardized processes. One respondent stated that other companies participating in SPI were also becoming more efficient, therefore, they have not gained a competitive advantage.

33. Question Thirty-three

Has your organization experienced significant cost savings as a result of the single process initiative?

a. Cumulative Responses

Ten of the respondents, about 23 percent, answered yes, their organization had experienced significant cost savings as a result of the single process initiative. Twenty-nine respondents, about 68 percent, answered no and four respondents, about 9 percent, did not answer the question.

b. Government Responses

Six of the Government respondents, about 24 percent, answered yes, their organization had experienced significant cost savings as a result of the single process

initiative. Sixteen Government respondents, about 64 percent, answered no and three Government respondents, about 12 percent, did not answer the question.

c. Contractor Responses

Four of the contractor respondents, about 22 percent, answered yes, their organization had experienced significant cost savings as a result of the single process initiative. Thirteen contractor respondents, about 72 percent, answered no and one contractor respondent, about 6 percent, did not answer the question.

Why/Why not?

d. Government Responses

The majority of the responses to this question were no, the Government organizations had not experienced significant savings. There was some question as to how to define significant, but this did not seem to affect the way the question was answered. Regardless of whether a respondent answered yes or no, there was almost universal agreement that long-term savings would be achieved.

e. Contractor Responses

Similar to the Government response to this question, most contractor respondents indicated that they had not seen any short-term or immediate savings, however

the explanations provided differed greatly. Some responses indicated that their company had a policy of continuous improvement and therefore they had already achieved costs savings prior to the implementation of SPI. Other respondents indicated that any cost savings had been returned to the Government in the form of consideration and the most frequent response was that they were just beginning the process and therefore cost savings had not begun to accrue.

C. SUMMARY

The results of 43 surveys received from Government and contractor personnel involved with SPI were presented in this chapter.

The following chapter analyzes and discusses the data in order to formulate answers to the primary and secondary research questions.

IV. DATA ANALYSIS

A. INTRODUCTION

The previous chapter presented data collected from 43 surveys returned by Government and contractor personnel involved in SPI. This chapter analyzes and discusses the data in order to formulate answers to the primary and secondary research questions.

B. ANALYSIS OF THE SURVEY RESPONSES

1. Question One

How did you first learn about the single process initiative?

The most frequent response by both the Government and contractor respondents was the local DCMC representative. This was the expected response, since DCMC is the organization specifically tasked with promoting the initiative to contractors. This response indicates that DCMC has been successful in at least informing contractors and Government personnel that SPI exists. The second most frequent method cited by Government personnel was OSD policy memoranda. This response is important because both OSD and the DCMC commander rely heavily on the use of policy memoranda to establish and clarify policies and procedures

as the initiative develops over time. If this response had not been mentioned, the value of disseminating information through policy memoranda should be questioned.

The second most frequently cited method by contractor respondents was internal company memoranda. These responses were primarily from members of the largest contractors, which have multiple plants and have instituted some form of corporate policy on SPI. It is interesting to note that no contractor indicated they learned of the initiative from a Government program office and only one contractor mentioned a Government contracting office. Although not specifically tasked with promoting SPI, Government program offices are closely involved in the process, but the data indicate that they do not actively promote the initiative.

2. Question Two

To your knowledge, what are the different methods that DoD is using to promote the single process initiative?

All the methods listed as possible responses to question two are methods identified in the DCMC home page as means for promoting SPI. The intent of this question and the follow on questions three and four was to measure the effectiveness of these methods. The results indicate that all methods have had at least limited success, as the respondents indicated that they were at least aware that

these methods were being used. The greatest awareness was local DCMC representatives, followed by Government agency home pages and DCMC SPI team road shows and workshops. This response is not surprising since DCMC is tasked as the primary organization to promote SPI.

These data indicate that local DCMC representatives, Government agency SPI home pages, DCMC SPI team road shows and workshops, and supplier/industry conferences are the most well known by the respondents.

Two methods mentioned least often by the contractors were Government program and contracting offices. This response is consistent with the response to question one, and is a possible indication that program and contracting offices are not very involved in promoting SPI. GIDEP was mentioned the least and may have been inappropriate for this question. Reference is made on the DCMC home page to GIDEP, but the researcher was unable to find any reference to SPI on the GIDEP home page.

Since only personnel who were involved in SPI participated in this survey, the data does not address why an organization had not heard about SPI or what methods, if any, might work better to reach this population.

3. Questions Three and Four

Of the methods listed above which do you believe have been the two most effective promotion methods?

and

Why in your opinion have these methods been effective?

Questions three and four were designed to identify which methods work best to promote SPI and to explain why they are considered to be effective. Clearly the local DCMC representative was deemed to be the most effective method by both Government and contractor respondents. There were many reasons listed, but general agreement supported the importance of direct one-on-one communication. The fact that the local DCMC representative had an intimate knowledge of the contractor's business was important and the enthusiasm of the DCMC representative conveyed a sense of commitment to the initiative. The second most effective method listed by both Government and contractor respondents were supplier and industry conferences. No response named a specific conference, but the researcher is aware that SPI has been a topic at many general industry conferences and there have also been conferences held exclusively for SPI. These methods were determined to be very effective in disseminating a lot of information to a large group of people at one time. The conclusion that supplier/industry conferences can be very effective methods by which DoD may

promote a new initiative or concept underscores the importance of gaining industry support and backing for an initiative.

4. Question Five

Please identify methods, that are being used, that you consider to be ineffective? Why are these methods ineffective?

This question was designed to identify methods deemed ineffective in promoting SPI, so that suggestions can be made either to improve their effectiveness or to recommend abandoning their use. There was little concurrence as to whether a method was ineffective and often the methods cited in response to this question contradicted responses to questions three and four. Methods listed as being very effective by some respondents in questions three and four were listed by others in this question as being ineffective. An important conclusion may be that different methods are more effective for different respondents and therefore as many methods as reasonably possible should be used in order to reach the largest population of potential participants. The larger the base of methods, the greater the chance of more people receiving the message. One respondent indicated that no methods were ineffective, but that some were just more effective than others.

5. Question Six

Can you recommend other methods that might be more effective in promoting the initiative?

There were few suggestions of other methods that might be more effective in promoting the initiative. The most frequent suggestion mentioned by both Government and contractor respondents was better publicity of success stories and of processes that have already been approved. The explanations provided for this response stated that contractors will be more willing to participate, if they see that other contractors and the Government are receiving some type of benefit for their effort. Additionally, there was some sentiment that it is difficult to identify processes that are appropriate for submission under SPI and it would be easier if a contractor knew what processes had already been submitted and approved. These responses discussed the type of information that should be disseminated, but not the method to disseminate the information.

The DCMC SPI home page makes much of this type of information available to anyone who accesses the home page. The home page contains a couple of different databases which include summaries of processes that have either been submitted and are pending approval or have been approved, as well as both Government and industry points of contact. The researcher could not identify whether the respondents were

not aware that this information was available on the home page, or whether they were aware, but believed that even greater visibility was required. The researcher noted that some of the information on the home page is presented in the original data collection format and therefore is somewhat difficult to interpret.

In support of the conclusion that the use of multiple methods for information dissemination is good, maybe the information on SPI processes should also be disseminated through other methods as well. One suggestion would be including SPI information in trade association newsletters or development of a specific SPI newsletter.

Another suggestion mentioned by a few contractor respondents was increased involvement by the program and buying offices. The lack of involvement by these offices is mentioned throughout many of the answers. This may be a result of the emphasis placed on DCMC's promotion of the initiative, but there is a belief by some, that increased program office promotion would be beneficial in improving the effectiveness of the initiative.

Many comments provided by both Government and contractor respondents provided some insight as to why program offices may be perceived as not fully supporting SPI. Data provided in support of other questions indicated

that some program offices were reluctant to accept increased risk inherent with SPI, reluctant to relinquish certain controls, and reluctant to accept new methods of operating.

6. Questions Seven and Eight

As a DoD contractor, have you been involved in promoting the single process initiative with your subcontractors/suppliers?

and

If yes, what methods have your company used?

This question was considered to be not applicable to the Government respondents, because the majority of the Government respondents did not answer the question. Those that did answer the question provided responses which addressed the contractor's point of view. Thirteen of the eighteen contractor respondents indicated they had been involved in promoting SPI with their suppliers. The two most frequently used methods were letters sent out to suppliers, which explained the process and solicited responses, and presentations during supplier conferences. These two methods correlate closely with the Government effort in promoting the process through presentation at supplier conferences. Of note, only two respondents indicated direct one-on-one personal visits. The personal presentations by DCMC personnel were deemed to be very effective and presented a sense of the Government's

commitment to the process. If a correlation can be made here, this may be an indication of a lack of commitment to the process from the point of view of the prime contractors to their suppliers. The fact that a prime contractor deals with potentially many more suppliers than a DCMC representative deals with prime contractors may be a mitigating factor, yet there does appear to be less commitment and possibly less applicability as the process goes down the supplier chain.

The question, why would a company promote the initiative with its suppliers, and possibly more interesting, why would a company not promote the initiative with its suppliers was not asked. Therefore no data were collected which would explain whether there are even any incentives for a prime contractor to promote SPI with its subcontractors.

7. Question Nine

Do you think these methods have been effective?

Eight of the thirteen contractor respondents that answered yes to question seven indicated the methods they used to promote SPI with their subcontractors had been effective. The question did not provide a definition of effectiveness, and most respondents qualified their answers by stating they had noticed limited or moderate

effectiveness. One respondent reported that they had received over 100 requests from their suppliers, but no other respondents provided quantitative examples. The initial thrust of SPI targeted DoD major prime contractors. As the process has matured however, the DCMC commander has periodically publish clarifying guidance which addresses certain identified problem areas. As recently as May 1997 clarifying guidance was issued on how to handle SPI with subcontractors. [Ref 6] There appears to be a general consensus among contractors that SPI is just getting started at the supplier level. There are many questions which remain to be answered regarding the appropriateness of the initiative at that subcontractor level. SPI appears to be even more difficult to coordinate at the sub-tier supplier levels.

8. Question Ten

How many concept papers has your company submitted under the single process initiative?

This question appeared to be somewhat ambiguous for the Government respondents, because it asked how many concept papers their company had submitted. Since the Government does not submit concept papers, many Government respondents either did not answer the question or indicated that the question was not applicable. Prior to sending surveys out

to each potential respondent, the researcher had a telephone conversation with each person. During these telephone conversations it was discovered that each respondent had experience with at least one concept paper. No respondent indicated that he had submitted zero concept papers, therefore those personnel who either did not answer the question or responded N/A are assumed to have experience with at least one concept paper. The range of responses indicated that there was potentially a relatively large difference in the experience level of the respondents. Most respondents that answered the question fell within the range of one to ten concept papers. This indicates that while the respondents may have experience with SPI their experience with working different issues may be limited. The researcher believes that this is consistent and possibly a little higher than the general population of SPI participants. The total number of SPI proposed process changes as tracked by DCMC is 1147, submitted by 241 contractors. [Ref 7] This equates to an average 4.7 concept papers per contractor. The sample population of this survey had an average of 17.6 concept papers submitted. The Government average was 15.3 and the contractor average was 19.6. The averages are skewed somewhat by the very high responses of 40, 41, 100, and 126.

9. Question Eleven

In your experience, have concept papers been approved within the 120-day goal?

There appears to be a slight but insignificant difference in the answer to this question from the Government and the contractor perspective. Thirty-five percent of the Government respondents indicated that all their concept papers had been approved within the 120-day time frame, but only 28 percent of the contractor respondents indicated that all their concept papers were approved within 120-days. However, more important is the response that concept papers were not approved within the time frame over 68 percent of the time. This correlates to data provided in the Single Process Initiative quarterly report for July through September 1997, which lists the average processing time as 132 days. [Ref 7:App A] Twenty percent of the Government respondents stated that the goal was met less than 50 percent of the time while only five percent (only one respondent) stated this from the contractor's perspective. Questions 12 through 15 address more specifically the supporting data for the responses to this question.

10. Question Twelve

In your opinion is the 120-day goal realistic and achievable?

The majority of responses to this question indicated that the 120-day goal was reasonable and could be achieved. This response is interesting when compared to the responses to question 11 in which the respondents indicated that the 120-day goal had not been achieved in 68 percent of the cases. Most of the respondents, indicated that the 120-day goal was difficult to achieve, but that it provides an incentive to keep the process from getting bogged down in bureaucracy and deliberation. The contrast between the responses to this question and question 11 seem to indicate that when an effective and efficient process is established the goal is achievable. The above data indicate however, that not all of the respondents' processes have matured to that level of efficiency yet.

11. Question Thirteen

If you were to set the goal, what period of time would you set?

A majority of the respondents believed that 120 days was a reasonable goal and therefore they would not change the time period. There were nine Government respondents who recommended changing the time period. Only one recommended

shortening the time period to 90 days and the other eight recommended lengthening the time period. Most Government respondents recommended lengthening the time period to 180 days and the maximum time recommended was 300 days. These results are not surprising since the responsibility for keeping the review process moving and meeting the 120-day goal falls primarily on the Government personnel. The thought is that the process would clearly be easier if there were more time. The results from the contractor respondents who recommended a different time period were mixed, with four respondents recommending a reduction in the time period and three recommending a longer time period. Justification given for a reduction in the time period was that once a process has been approved, subsequent approval of the same process at another contractor or facility should take less time. One respondent recommended a two-tiered strategy in which 120 days would be used for standard or non-complex proposals and 365 days would be used for highly complex endeavors. Another respondent believed that setting a goal for this effort was not appropriate and personnel should "just work the system and get the job done." There was some sentiment expressed indicating that the goal placed an undue amount of stress on individuals to get the job done. The importance of and commitment to the 120-day goal is

consistently stressed by the DCMC commander as well as Dr. Kaminski. While it is recognized that certain highly complex efforts may take longer than 120 days to process, the vast majority of actions should be completed within the 120-day time period. [Ref 4]

12. Question Fourteen

What impediments have you experienced that delayed the approval process making the 120-day goal unachievable?

There were many reasons stated by both Government and contractor respondents for why the approval process could be delayed. Interestingly, however only two Government respondents, and no contractor respondent, cited a disagreement over a technical matter. With the exception of disagreements over technical issues and proposed changes to laws, regulations, and the FAR and DFARS, all other impediments mentioned were controllable by the process participants.

The most frequently cited impediments that delay the approval process fall under the category of culture and cultural change. SPI is an initiative strongly supportive of, but also highly dependent on, the success of acquisition reform. The process of SPI requires people to identify new ways of doing business and to implement these new ways in a very short period of time. Examples of impediments related

to an individual's or organization's lack of desire to accept cultural change are: a quality assurance specialist not trusting a contractor to establish, supervise, and conduct its own specified quality assurance program, or a program office not willing to change or eliminate redundant testing requirements. Some personnel do not see the need to change a process or a system that has worked well in the past. Another sentiment that was mentioned very frequently was that personnel were very interested in protecting their own "rice bowls" and were hesitant to accept processes that might change their position with respect to risk, power, and authority. This problem does not seem to be office or agency specific, but rather individual specific. Typically, the data indicate that an individual in the process, either from DCMC, the program office, the contracting office, the technical community, or any other organization involved, can impede progress. This indicates that training on the precepts and intended benefits of acquisition reform and all initiatives in support of acquisition reform must be held with all members of the acquisition community. Otherwise pockets of resistance will continue to persist throughout the process and impede the success of SPI as well as acquisition reform.

The second most frequently cited impediment or barrier

to approval of concept papers was the complexity of the process. The process from concept paper submission, to review and subsequent approval can be very complex. The technical difficulty of the concept and the number of personnel and agencies involved in the process are factors which affect the complexity of the process. DCMC has potentially an exponentially more difficult time in facilitating a process in which a contractor has multiple agencies and program offices as customers, than with a contractor who has only one agency and program office as a customer.

The situations in which respondents indicated there were no impediments were typically when the concept had been fully discussed with all participants and buy-in by all stakeholders had been accomplished prior to concept paper submission. In fact, a few respondents indicated that the only way the 120-day goal could be met was if all the participants were aware of the issues before a concept paper was actually submitted.

13. Question Fifteen

Were these impediments specific for only certain concept papers or do you believe they were systemic problems?

Twenty-seven of the 43 respondents indicated that the impediments listed in response to question 14 were systemic

problems, while only six respondents believed that they were specific to only certain concept papers. The instances where an impediment was determined to be specific to a concept paper included cases where there was "disagreement on a technical matter," or there was a need for additional information. The majority of the impediments mentioned however, were believed to be systemic impediments. The complexity of the process and the requirement for a large number of participants, especially in technically complex concept papers, almost assures that the difficulty in communication and scheduling will be systemic. The researcher believes, that as personnel gain more experience and become more accustomed to working within their management councils, the scheduling and coordination impediments will decrease. Reducing the cultural impediments is much more difficult than simply gaining experience. Personnel must be able to see some benefit to their own particular situation before they can fully accept and implement a change of this magnitude.

14. Question Sixteen

In your experience, what have been the primary barriers that have kept a company from submitting a concept paper?

There were numerous barriers identified that might keep a company from submitting a concept paper. The researcher

attempted to correlate the responses provided by the contractors and the actual number of concept papers submitted to determine if there were any trends that could be identified. There appears to be little correlation between the perceived barriers to submission and the actual number of concept papers submitted. One company that stated there were "no incentives to warrant all the cost of preparation and approval, to have a lower price, lose profit and give back consideration" has submitted ten concept papers. Another company that submitted 14 concept papers stated there was "a lot of work required for a small payback." One small company that only submitted one concept paper indicated that the available workforce was a problem. The company that submitted the most concept papers in this survey stated that it was very difficult to identify short and long-term savings and to quantify those savings. Two companies that experienced frustration with the system submitted one and two concept papers respectively. The first company stated the program office thought the concepts were not valid and the second company stated the Government was "a little picky" on the format of the concept paper. Another company that stated lack of incentive for the contractor and Government fear of change submitted 100 concept papers. Another company that submitted 20 concept

papers cited the Government's unwillingness to change the current process. While these are barriers to submission, it appears that contractors are willing to participate in the SPI process if they believe their proposed process changes have merit.

15. Question Seventeen

In your experience, what have been the primary barriers that have kept a concept paper from being approved?

The single most tangible barrier stated by both Government and contractor respondents is an inability to approve a change to laws, regulations, and changes to the FAR and DFARS. This problem has been recognized by DCMC and they have established separate procedures for tracking and implementing these types of concept papers. The Office of the Deputy Under Secretary of Defense (Acquisition Reform) has proposed a pilot program in which management councils would be granted the authority to allow deviation from specific FAR/DFARS regulations not based on law or regulation as a way of mitigating this barrier. [Ref 10] This is currently only a proposal, but if approved, it could help make significant progress in this area.

The difficulty of coordination and information flow as well as lack of prior discussion before the concept paper has been submitted and the difficulty in scheduling review

and management council meetings are also cited as procedural barriers to approval. While these barriers more directly affect the timing of the process, they are still perceived as barriers to approval.

Other barriers cited are much more intangible and difficult to address. The next most frequently cited reason by both Government and contractor personnel is a lack of desire to change or to relinquish control. This response relates to the difficulty in instituting cultural change and personnel unwillingness to accept increased risk or relinquish control of their "rice bowl." It is probably very difficult to identify when a process is rejected based on a valid argument and when a process is rejected just because a reviewer wants to maintain his "rice bowl." While the surveys provided no specific examples, there were numerous references made to "rice bowl issues" and reluctance to change. As the initiative matures and management councils become more experienced, the researcher believes that these barriers will be reduced in significance. The cultural barriers however are very difficult to address and to overcome.

16. Question Eighteen

What barriers/impediments can you identify for single process initiative concept papers to be submitted and approved between prime and subcontractors.

The responses to this question were interesting, because they parallel closely the responses cited as barriers between Government and prime contractors. The most frequent response from the contractor respondents was that there were no barriers. The next most frequent response from the contractor respondents, and the most frequent response from the Government respondents, was a lack of desire to relinquish control over specific processes that the prime contractor likes, as well as a desire to not have increased risk. These are many of the same arguments that a program office can use to justify prescribing military specifications and standards. An ironic aspect of SPI, is that while DoD contractors have been protesting the imposition of Government unique requirements, they have also been passing down their own contractor specific requirements to their subcontractors. As contractors are now becoming more free to use their own processes in Government contracts they are also being asked to provide the same freedoms to their subcontractors. There are also many procedural issues that make the process between prime contractors and their subcontractors very complicated. DCMC recognized the difficulties inherent in the prime/subcontractor relationship, especially when subcontractors are also prime contractors. DCMC established a task force to study

alternatives and recommended a process to simplify SPI in the prime/subcontractor relationship. The current guidance provided by the Under Secretary of Defense for Acquisition and Technology encourages prime contractors to accept their subcontractor's approved SPI processes in lieu of the prime contractor's specified processes. [Ref 6]

17. Question Nineteen

To your knowledge, what are the primary criteria that the Government uses in deciding whether to approve or disapprove a concept paper?

There was wide variation among the respondents as to how they would rank the given criteria in order of importance, but there was close correlation when measuring the most frequent responses. Both the Government and contractor respondents indicated that technical acceptability was the most important criterion. This corresponds closely to standard guidance, in that the proposal must at a minimum be technically acceptable. There was disagreement between the two groups on the second most important criterion. The Government respondents cited simplified business practices as being more important while contractor respondents cited the adequacy of cost benefit analysis as the second most important. These two positions were almost exactly reversed between the two groups. Government respondents cited adequacy of the cost benefit

analysis as sixth in importance and the contractor respondents cited simplified business practices as seventh in importance. There was agreement between the two groups on the remainder of the criteria. Reduced manufacturing and management cost were listed as third, and identified or anticipated long-term savings/cost avoidance and improved cost, schedule or technical performance were ranked either fourth or fifth for both groups. Identified or anticipated short-term savings/cost avoidance was listed seventh by the Government respondents and sixth by the contractor respondents and both groups agreed that reduced contract administration requirements were the least important. Interestingly, the second primary criterion listed by both the Government and contractor respondents did not directly address cost savings. The Government respondents cited simplified business practices, which may provide cost savings, but do not directly address them. The contractor respondents cited adequacy of cost benefit analysis as being second most important. This does not address any potential benefits gained by SPI, but rather the process of approval. This seems to indicate that contractors believe that in some respects, the Government believes the process may be more important than the outcome.

18. Question Twenty

What criteria do you believe are most important in deciding whether a concept paper should be approved or disapproved?

This question was intended to identify whether there was a disagreement between what the respondents knew to be the significant criteria identified in question 19 and what they believed the most important criteria should be. The most frequent response by Government participants was reduced costs. This contrasts with the response in question 19 in which they listed reduced cost as number three. Apparently many of the respondents in the Government believe costs should play a more significant role in the approval process. The next most frequent response, which had only two less than cost, was technical adequacy. This response is consistent with the response in question 19.

The contractors were relatively consistent with their responses to question 19. The only deviation from question 19 was that in question 20 only one person cited adequacy of the cost benefit analysis as being important, while in question 19 this factor was listed as second most important. This response indicates that the contractor respondents believe there is currently too much emphasis placed on the adequacy of the cost benefit analysis. Contractor respondents also indicated that more emphasis should be

placed on improvements in cost and schedule than on any of the other criteria listed. This response is consistent with responses provided to many of the other questions, in which the contractor respondents would like less emphasis placed on current cost savings. Some contractor respondents fear that the Government will recoup immediate cost savings in the form of monetary consideration.

19. Question Twenty-one

Do you think that the Government and industry use the same acceptance criteria?

The response to this question indicated that about 64 percent of the Government respondents and only 50 percent of the contractor respondents believed that both Government and industry use the same acceptance criteria. This indicates that 36 percent of Government respondents and 50 percent of contractor respondents believed they did not use the same criteria. The question why, was not asked and probably should have been in order to address the reason for the responses more adequately. The fact that potentially 34 percent and 50 percent of the participants are looking at a process from a different aspects may be significant.

20. Question Twenty-two

If yes, do you believe they place the same amount of emphasis on these criteria?

There is a significant difference between the Government responses and the contractor responses to this question. While eight of the Government respondents believed that the same amount of emphasis was used by both groups, nine respondents believed there was a difference. Only two of the contractor respondents believed there was a difference. Seven believed it was the same and nine did not answer the question. The responses to this question indicate that a larger percentage of Contractor respondents believe there is no difference in the way the Government and contractors view the approval criteria than Government respondents. The Government respondents were clearly mixed in their responses to this question with about the same number citing yes as no. This indicates that there is no consensus to the question by the Government respondents. The responses provided in support of this question tend to support this conclusion as there is no identifiable trend to explain what any differences may be.

21. Question Twenty-three

In your opinion, how important a role do potential costs savings and/or cost avoidance play in the approval process?

The responses to this question indicate that about 44 percent of both Government and contractor respondents believe that cost savings/avoidance play a significant role

in the approval process. There were no contractor respondents who believed that cost played little or no role in the approval process while 20 percent of the Government respondents believed cost savings and cost avoidance played only a minor role in the process. These responses indicate consistency among the two groups in their perception of the importance of cost savings/avoidance in the approval process, with the exception of some Government respondents who believe it plays a lesser role.

22. Question Twenty-four

In your opinion, should potential cost savings and/or cost avoidance receive more or less emphasis in the decision process?

The responses to this question indicated strong disagreement between the Government and contractor respondents. The Government respondents overwhelmingly believed that potential cost savings should receive more emphasis, while the majority of contractor respondents believed that costs should receive less emphasis. These responses appear to be consistent with the responses provided for questions 20 and 23. In question 20 the most frequent Government response indicated that potential cost savings/avoidance should be the most important approval factor and the response to question 23 indicated that roughly 56 percent of the Government respondents believed

costs played a moderate or minor role in the process. The contractor respondents on the other hand indicated in question 20 that technical acceptability should be more important than potential cost savings/avoidance and in question 23 indicated that about 83 percent of the respondents believed potential cost savings/avoidance played at least a moderately important role in the approval process. This appears to indicate that the majority of Government respondents believe cost should play a larger role in the process and the majority of contractor respondents believe cost should play a smaller role in the process.

There were few explanations provided as to why the respondents believed one way or another. The researcher believes however, that the answer is intuitively obvious. The Government is not only looking to make processes more standardized and efficient, but they desire to save money in the long run. The contractor on the other hand will be required to give cost savings back in the form of consideration if they are too great. The researcher believes that contractors would rather have improved processes and efficiency without having to provide monetary consideration.

23. Question Twenty-five

In your experience, does DoD require consideration as a prerequisite to concept implementation and contract modification?

The responses to this question were consistent between the Government and contractor respondents. Both groups understand that DoD does not require consideration as a prerequisite to concept implementation. This is consistent with the implementing guidance of SPI. Consideration is only required when significant immediate cost savings can be identified on the instant contracts. [Ref 2] Only 24 percent of the Government respondents and 28 percent of the contractor respondents had experience when consideration was a prerequisite to concept paper implementation and there were no comments provided which addressed this situation.

24. Question Twenty-six

In your experience, does DoD have a preference for monetary consideration or non-monetary consideration?

There is a slight difference in response to this question by the Government and contractor respondents. The most frequent Government responses indicate that it does not matter what type of consideration is received. The most frequent response by the contractor respondents, on the other hand, indicated that monetary consideration was preferred. Only one contractor respondent provided

clarifying comments for this response and stated that it would probably be easier for the concept paper to be accepted and approved if monetary consideration were involved. The Government respondents indicated that the Government receipt of some form of benefit was the most important criterion and that it did not matter whether this benefit was monetary or non-monetary.

25. Question Twenty-seven

What role does the desire/need for consideration play in the single process initiative process?

The Government response to this question indicates that only about 16 percent believe that consideration plays a significant role in the approval process. In fact, one comment provided by a Government respondent indicated that Government personnel are minimizing their desire for consideration in the hope of promoting participation. The respondent stated that "telling a contractor there must be consideration, puts a damper on his willingness to play." In contrast, 33 percent of the contractor respondents believed that the need for consideration plays a significant role in the process. This may be correlated to some of the contractor mentioned impediments to participation. If the contractor believes there is a significant need for consideration, they are more reluctant to participate unless

they can identify significant long-term advantages. The majority of contractor respondents however believed that consideration played only a moderate to insignificant role in the process. The majority of Government respondents answered moderate, indicating that while it is not the most important approval criteria, it is considered important.

26. Question Twenty-eight

In your experience, have there been any changes over time in the Government attitude or policies regarding the need for monetary consideration?

If yes, how has this attitude changed?

The majority of Government respondents and about one half of the contractor respondents believed there had not been a change overtime in the Government policy regarding consideration. Of those personnel who believed there had been a change in policy, only two respondents, one Government and one contractor respondent indicated that there was more emphasis on consideration now than in the past. The other respondents indicated that there was less emphasis being placed on consideration and more emphasis on long-term cost avoidance. As it becomes more difficult for contractors to identify potential prospects for SPI, reduced emphasis on immediate cost savings and consideration may provide contractors greater incentive to participate.

27. Question Twenty-nine

As a result of the single process initiative have you experienced an increase in the use of single management and manufacturing processes at your plant?

The majority of respondents indicated that they had experienced increases in the use of single management and manufacturing processes at their facilities. Although the respondents provided no examples of these processes, 83 percent of the contractor respondents and 52 percent of Government respondents indicated there had been increases. This indicates that SPI is successful at least in reducing the number of multiple processes at their facilities. There does not appear to be a correlation between the number of concept papers submitted and the opinions on whether single processes have increased. The three respondents that answered no to this question had submitted one, two, and 12 concept papers respectively. Nine other respondents who had submitted between one and 12 concept papers indicated there had been an increase in single processes at their facilities.

28. Question Thirty

What are the primary benefits that your organization has gained through the use of single process initiative?

The responses to this question were significantly

different from the Government and the contractor perspectives. While about one third of the Government respondents indicated there had been no benefit received, all of the contractor respondents indicated there had been some type of benefit gained. The benefits provided as examples varied significantly between respondents, but two primary benefits are identified for both groups.

Interestingly, the most frequently mentioned benefit by Government respondents was an improved working relationship and better communication with the contractor. This does not appear to have been an anticipated benefit when SPI was initiated, but has developed as a consequence of the requirement for close coordination between all players involved. The next most frequent response addressed the increase in standardized processes at the contractor's facility. Based on the survey responses, the benefit to the Government from reduced processes is a reduction in the need for oversight and more efficient oversight procedures.

One Government respondent however stated that the only benefit they had received was the increased recognition and acknowledgment by DCMC for having so many concept papers submitted. The most frequently cited benefit reported by the contractor respondents is more standardized processes. The standardization of process is believed to help

contractors improve their efficiencies and to help them become more competitive. Contractors also mentioned, however, less frequently than the Government respondents, an increase in the communication between contractors and Government.

29. Question Thirty-one

How might the process be improved?

There was no significant consensus provided by the responses from both Government and contractor respondents to this question. There were many suggestions provided and almost every respondent had a different suggestion. There were a few common suggestions that were also cited in the response to question six. The most frequently cited recommendations for improving the process was to promote better those processes that have already been approved and to publicize other contractor SPI success stories. The belief is that contractors can save time and money by not having to reinvent the wheel while identifying processes applicable to SPI, if they could identify previously submitted and approved processes. Additionally, it was mentioned that if contractors see the benefits that other contractors are gaining through SPI they would be more willing to participate. The DCMC SPI home page attempts to provide much of the information that was suggested.

Summaries of processes that have been submitted are available as well as points of contacts for almost every organization that has been involved in SPI.

Another suggestion which was cited by more than one respondent was to improve the incentives for contractors to participate. One suggested way to accomplish this is to provide a sharing ratio similar to value engineering change proposals, so that a contractor could share in the short-term financial savings to the Government. Government respondents recommended DoD reduce the number of SPI related reports submitted to DCMC headquarters and upper-level management. A few respondents indicated that the amount of information they are required to report on a periodic basis is increasing and that the reporting of certain numbers is not always an adequate indicator of the success of SPI. The researcher could not identify specific aspects which were new reporting criteria, but there is significant information being reported from the local DCMC offices to the DCMC headquarters. There was also concern that the correct metrics may not be used. The number of SPI concept papers submitted is not necessarily an indication of the success of the program. The goal is actually to allow contractors to streamline and consolidate their processes. In the long run, this should make contractors more efficient, thereby

saving money for the Government.

Another recommendation by the contractor respondents was to improve the program office and contracting office participation in the initiative. This is only applicable in certain programs as there are examples in which programs are very active and examples in which program are not as active. There was significant sentiment however, that some program offices do not fully support the process. Program office personnel are not specifically tasked with promoting SPI, but they are significantly involved in the process. Effort should be directed at improving program office support and understanding of the process. Another recommendation for making the process better is to establish a mechanism for making changes to the FAR and DFARS. As addressed in question 17 The Office of the Deputy Under Secretary of Defense (Acquisition Reform) has proposed a pilot program in which management councils would be granted the authority to allow deviation from specific FAR/DFARS regulations not based on law or regulation as a way of mitigating this barrier. [Ref 10]

30. Question Thirty-two

Has the single process initiative helped to make your organization more competitive?

Why/Why not?

This question is considered not applicable to

Government respondents as they answered either no or not applicable to this question.

The majority of the contractor respondents indicated that they had become more competitive as a result of SPI. Of those indicating that their organization had not become more competitive, three had submitted only one concept paper and one had submitted only five papers. The other contractor had submitted 14 concept papers, but believed that since all other companies were participating in SPI they were also improving, so no gain could be identified. This particular response fails to recognize that SPI participation may enable a company to remain competitive with those companies actively pursuing SPI processes. All other contractor respondents indicated that SPI had helped to make their organization more competitive. Examples given for this were consolidated and simplified processes which reduced costs and improved efficiencies. The ability to use commercial practices also allowed them to compete more strongly in the commercial and international market place.

The process itself seems to have engendered improvement. Many respondents indicated that employees are now aggressively looking at ways to improve their processes, additionally, employees are now pursuing the adoption of best commercial practices where appropriate. The majority

consensus is that SPI has allowed the contractors to reduce their costs, which make them more competitive.

31. Question Thirty-three

Has your organization experienced significant cost savings as a result of the single process initiative? Why/Why not?

The majority of responses to this question stated that their organizations had not experienced significant cost savings to date. Most of the answers were qualified with the statement that it was either too early in the process to see the cost savings or that they were anticipating long-term savings. Some respondents indicating that they had identified immediate savings, stated that the savings were a relatively small percentage to total contract costs. The majority of respondents preferred to focus on the anticipated long-term cost savings and cost avoidance that would be achieved by implementation of the common processes. Government personnel identified some cost savings from contracts in which consideration was received from the contractor. The contractor, on the other hand, did not identify these as cost savings. In fact, contractors cited consideration as an example of why cost savings had not occurred, because the savings were given back to the Government. The most frequent response by the contractor respondents was that they were not far enough along in the

process to have identified savings yet, but that significant long-term savings and cost avoidance were definitely anticipated.

C. SUMMARY

This Chapter provided an analysis of the data. Responses to the survey questions were analyzed and compared in order to draw conclusions about trends in responses to specific questions and to provide answers to the primary and secondary research questions.

The following Chapter presents recommendations and conclusions developed from the study. Recommendations for further study are also presented.

V. CONCLUSIONS, RECOMMENDATIONS AND AREAS FOR FURTHER RESEARCH

A. GENERAL

Chapter II identified some of the political, economic, and military changes that have affected the military procurement environment since the end of the cold war. The joint Coopers and Lybrand/TASC Study was also briefly discussed and the ten key policy and/or regulation cost drivers for DoD acquisitions were identified.

The single process initiative, which is a major component of DoD's acquisition reform, is an attempt to provide a simplified method to reduce costs associated with some of the major cost drivers identified in the Coopers and Lybrand Study. Chapter II also provides a brief overview of SPI and outlines some of the major policies and procedures.

Chapter III provided a brief discussion of the survey methodology, including identification of potential survey participants, and the survey method. The actual survey questions are provided in Appendix A. The survey data were presented and a synopsis of the most common responses by Government and contractor respondents was provided. A compilation of actual survey responses is presented in Appendix B.

Chapter IV provided an analysis of the data. Responses to the survey questions were analyzed and compared in order to draw conclusions about trends in responses to specific questions and to provide answers to the primary and secondary research questions.

B. CONCLUSIONS

The purpose of this study was to assess the extent to which the single process initiative has been successful in promoting the use of single manufacturing and management processes at defense contractor facilities and to identify ways in which the process may be improved. The following section presents the conclusions of this study:

- 1. The single process initiative has been successful in promoting the use of single manufacturing and management processes at defense contractor facilities.**

Since the initiation of SPI in 1995, DCMC has processed over 644 process or block change modifications. [Ref 7:p.1] Eighty-three percent of the contractor respondents for this thesis indicated that they had experienced an increase in the single management and manufacturing processes at their respective plants as a result of SPI.

- 2. There are many methods that DoD has used very effectively to promote SPI with its contractors and some of these means are also being used by defense contractors to promote the initiative to their vendors**

and suppliers.

The primary method that DoD has used to promote SPI to its contractors is by making the local DCMC representatives responsible for informing and educating their customers about SPI. This method is evaluated as very effective because the local DCMC representatives have the most intimate knowledge of their customers and the face-to-face communication helps to emphasize DoD's commitment to the initiative. Supplier/industry conferences are also effective for promoting SPI, because it can reach a large geographically dispersed group of contractors. The use of supplier conferences is made more effective because SPI enjoys the support of the defense industry.

Contractors indicated that they also used supplier/industry conferences and letter campaigns to promote the initiative to their suppliers. The success of these methods was not identified as being as effective. The lack of effectiveness is not necessarily dependent on the method in this case, but may also be affected by a lack of support for the initiative at the supplier levels.

3. **DoD has not been successful in meeting the goal of implementing proposed SPI initiatives within 120 days of concept paper receipt.**

The average processing time for concept papers, as tracked by DCMC, is 132 days. [Ref 7:p.1] The survey

respondents in this thesis indicated that only about 30 percent of all concept papers are implemented within the 120-day time period.

4. **The key impediments/barriers to implementation of SPI involve human and procedural issues that can be overcome.**

Technical differences were only identified twice as a reason for a concept paper to not be approved. Other reasons provided included personnel not able to accept change or not understanding the precepts of acquisition reform and the difficulty in planning and scheduling reviews involving multiple stakeholders. These are impediments that can be addressed and mitigated through better training, coordination and by gaining more experience in the process.

5. **DoD primarily uses technical acceptability of a concept to determine the acceptability of an SPI proposal. The importance of cost considerations in the process was not clearly established.**

The majority of respondents indicated that technical acceptability of a concept was the primary criteria used to determine the acceptability of a concept paper. The importance of cost considerations in the process is less clear. Forty-four percent of the respondents identified cost as being a significant factor, therefore 56 percent believed that it was a less significant factor.

Additionally, the majority of Government personnel indicated

that cost should play more of a role in the approval process while the majority of the contractor personnel indicate that costs should play less of a role. It appears that the significance of cost savings is highly dependent on the proposal and the personnel involved in the process.

6. **DoD's policy toward monetary and non-monetary consideration is that either type of consideration is acceptable. Consequently this policy helps to promote the use of SPI.**

The DoD policy requires consideration when significant immediate cost savings are identified, but the form of consideration is not specified. [Ref 2] Survey responses indicated a slight change in attitude over time away from a preference for monetary consideration towards more non-monetary consideration. The contractor personnel indicated that this was a positive change. The researcher believes that greater use of non-monetary consideration will help lessen the barriers to the use of SPI.

7. **The adoption of SPI has led to a significant increase in the use of single manufacturing and management processes at defense contractor facilities.**

Eighty-three percent of the contractor respondents indicated that they had seen an increase in the number of single processes at their facilities. The recent DCMC SPI Quarterly Report indicates that 644 processes have been modified at 241 contractor facilities and an additional 328

proposals are under review.

8. An unanticipated benefit received by DoD through SPI is increased/enhanced communication among all members of the acquisition process.

The most frequently cited benefit of SPI for Government personnel was increased communication with both Government and contractor customers and a better understanding of the respective processes and procedures.

9. DCMC takes full advantage of the capabilities provided by the Internet and has developed a very effective and useful SPI home page. However, it appears that the contractor community is not aware of this information.

The researcher was able to obtain all required background information, policy memoranda, points of contact as well as quarterly and weekly SPI reports directly off the home page. The information contained on the SPI home page is current, accurate and complete. Many contractor respondents indicated that more information should be made available on submitted and approved concept papers. This information is available on the home page, so it appears that they are not aware that it exists.

C. RECOMMENDATIONS

The researcher presents the following recommendations to improve the SPI process:

1. Promote an expanded role of the Management Councils.

Effectively organized management councils have proven to be very effective in coordinating the complex review and approval process for SPI concept papers. As the SPI process matures and requires less personnel time, the management councils will be prime candidates for coordinating other process improvements.

2. **There should be an increased effort to promote the SPI process between prime contractors and their suppliers.**

The primary promotional emphasis of SPI has been on the major prime contractors. Responses received on the surveys with regard to prime contractor/subcontractor relationships indicated that while some promotion effort was taking place it was only marginally effective. There may be potential for further savings in process consolidation at these levels, but the coordination between prime contractors and subcontractors is potentially even more difficult. While the policies recommended by Dr. Kaminski [Ref 6] appear to simplify the process, greater effort should be made to educate subcontractors in the process.

3. **Develop a means to expedite changes to the FAR and DFARS for policies that are not based in law or regulation.**

A major impediment identified to approving SPI proposals was the inability for rapid approval of changes to the FAR and DFARS. A recent proposal by DCMC [Ref 10] to

provide management councils waiver authority for specific FAR/DFARS and other military and civilian agency regulations would help to enhance the effectiveness of the management councils.

4. Increase emphasis on program office support and involvement.

A consistent theme throughout the data analysis is an impression that some program offices do not fully support SPI. The fact that program offices are not specifically tasked with promoting SPI and the impression that program offices may have to accept a significant portion of any potential increased risk are two factors which may contribute to this lack of support. There is however, potential for significant long-term improvements and cost savings. Emphasis should be placed on educating program offices on these potentials.

5. Increase publication and promotion of success stories and processes already approved.

The DCMC home page provides data bases which contain synopsis of processes submitted pending approval or have been approved. Although this information is available on the World Wide Web, there were many comments that this information should be more widely publicized. DCMC should investigate using other media methods to promote this information, such as inclusion in trade association

newsletters or a specific SPI newsletter.

D. AREAS FOR FURTHER RESEARCH

The following are recommended topics for further research:

1. The applicability of SPI to mid and small size companies.
2. The possibilities for the expanded role of management councils and their effectiveness.
3. The advantages and disadvantages of a prime contractor implementing some type of SPI with its suppliers.
4. The advantages and disadvantages of implementing an initiative like SPI at a facility level as compared to initiation at a corporate level with multiple facilities.

APPENDIX A

SAMPLE SURVEY

- 1) How did you first learn about the single process initiative? (Please circle one)
 - a Local DCMC representative
 - b Government program Office
 - c Government contracting office
 - d Government agency SPI home page
 - e DCMC SPI Team road show or workshop
 - f Supplier/Industry Conference
 - g Government and Industry data Exchange Program (GIDEP)
 - h Trade Association newsletter or publication
 - i Other, please specify: _____
- 2) To your knowledge, what are the different methods that DoD is using to promote the single process initiative? (Please circle)
 - a Local DCMC representative
 - b Government program office
 - c Government contracting office
 - d Government agency SPI home page?
 - e DCMC SPI Team road show or workshop
 - f Supplier/Industry Conference
 - g Government and Industry data Exchange Program (GIDEP)
 - h Trade Associations
 - i Other, please specify: _____
- 3) Of the methods listed above which do you believe have been the two most effective promotion methods?
 - 1) _____
 - 2) _____
- 4) Why in your opinion have these methods been effective?

- 5) Please identify methods, that are being used, that you consider to be ineffective?

Why are these methods ineffective? _____

-
-
- 6) Can you recommend other methods that might be more effective in promoting the initiative? _____
-
- 7) As a DoD contractor, have you been involved in promoting the single process initiative with your subcontractors/suppliers? (please circle): **Yes** **No**
- 8) If yes, what methods have your company used? _____
-
- 9) Do you think these methods have been effective? (please circle): **Yes** **No**
Why/ Why not? _____
-
- 10) How many concept papers has your company submitted under the single process initiative? _____
- 11) In your experience, have concept papers been approved within the 120-day goal: (please circle)
- a. All of the time (100%)
 - b. Most of the Time (about 75%)
 - c. Some of the Time (about 50%)
 - d. Rarely (about 25%)
 - e. Never (0%)
- 12) In your opinion is the 120 goal realistic and achievable? (please circle) **Yes** **No**
- 13) If you were to set the goal, what period of time would you set? _____ Days
why? _____
-
- 14) What impediments have you experienced that delayed the approval process making the 120-day goal unachievable? _____
-
- 15) Were these impediments specific for only certain concept papers or do you believe they were systemic problems? _____
-

- 16) In your experience, what have been the primary barriers that have kept a company from submitting a concept paper? _____

- 17) In your experience, what have been the primary barriers that have kept a concept paper from being approved? _____

- 18) What barriers/impediments can you identify for single process initiative concept papers to be submitted and approved between prime and subcontractors?

- 19) To your knowledge, what are the primary criteria that the Government uses in deciding whether to approve or disapprove a concept paper? (Please number in order of importance beginning with "1" as the most important)
- _____ Reduced manufacturing and management costs
 - _____ Simplified business practices
 - _____ Technically acceptable
 - _____ Identified or anticipated short-term savings/cost avoidance
 - _____ Identified or anticipated long-term savings/cost avoidance
 - _____ Adequacy of cost benefit analysis
 - _____ Improved cost, schedule or technical performance
 - _____ Reduced contract administration requirements
- 20) What criteria do you believe are most important in deciding whether a concept paper should be approved or disapproved? _____

- 21) Do you think that the Government and industry use the same acceptance criteria?
(please circle) **Yes** **No**
- 22) If yes, do you believe they place the same amount of emphasis on these criteria?
(please circle) **Yes** **No** Why/Why not? _____

- 23) In your opinion, how important a role do potential costs savings and /or cost avoidance play in the approval process? (please circle)
- a. Significant
 - b. Moderate
 - c. Some
 - d. Little
 - e. None
- 24) In your opinion, should potential cost savings and/or cost avoidance receive more or less emphasis in the decision process? (please circle) **More Less**
- 25) In your experience, does DoD require consideration as a prerequisite to concept implementation and contract modification? (please circle) **Yes No**
- 26) In your experience, does DoD have a preference for monetary consideration or non-monetary consideration? (please Circle)
- Monetary Non-monetary Does not matter**
- 27) What role does the desire/need for consideration play in the single process initiative process? (please circle):
- a. Significant
 - b. Moderate
 - c. Some
 - d. Little
 - e. None
- 28) In your experience, have there been any changes over time in the Government attitude or policies regarding the need for monetary consideration? (please circle) **Yes No**
- If yes, how has this attitude changed? _____
- _____
- _____
- 29) As a result of the single process initiative have you experienced an increase in the use of single management and manufacturing processes at your plant? (please circle) **Yes No**
- 30) What are the primary benefits that your organization has gained through the use of single process initiative? _____
- _____
- _____

31) How might the process be improved? _____

32) Has the single process initiative helped to make your organization more competitive? (please circle) **Yes** **No**

Why/Why not? _____

33) Has your organization experienced significant cost savings as a result of the single process initiative? (please circle) **Yes** **No**

Why/Why not? _____

APPENDIX B

CONSOLIDATED SURVEY RESPONSES

1) How did you first learn about the single process initiative? (Please circle one)

| | | |
|---|---|-----------|
| a | Local DCMC representative | <u>16</u> |
| b | Government program Office | <u>2</u> |
| c | Government contracting office | <u>2</u> |
| d | Government agency SPI home page | <u>4</u> |
| e | DCMC SPI Team road show or workshop | <u>1</u> |
| f | Supplier/Industry Conference | <u>2</u> |
| g | Government and Industry data Exchange Program (GIDEP) | <u>16</u> |
| h | Trade Association newsletter or publication | <u>2</u> |
| i | Other, please specify: | <u>16</u> |

- 2 From contractor after meeting with Dr. Kaminski.
- 8 Internal DCAA guidance memorandum.
- 11 OSD policy letter.
- 17 CBD notice.
- 18 Internal company communications.
- 19 SEC DEF letter/memo.
- 20 Corporate management.
- 21 OSD memo's/briefing on SPI Dec 95.
- 22 Response to ASN(RDA) project.
- 25 DCMC HQ initiative.
- 27 PEO, my boss and I were part of the Contractor reinvention lab that helped implemented the SPI- Dr Kaminski assigned him the Task and I helped execute it.
- 28 From my DCMC commander & deputy.
- 38 Policy letters.
- 40 OSD policy memo.
- 41 OSD policy memo.
- 43 Involved with early development with DCMC and

OSD.

2) To your knowledge, what are the different methods that DoD is using to promote the single process initiative? (Please circle)

| | | |
|---|----------------------------------|-----------|
| a | Local DCMC representative | <u>40</u> |
| b | Government program office | <u>23</u> |
| c | Government contracting office | <u>21</u> |
| d | Government agency SPI home page? | <u>36</u> |

| | | |
|---|---|-----------|
| e | DCMC SPI Team road show or workshop | <u>34</u> |
| f | Supplier/Industry Conference | <u>26</u> |
| g | Government and Industry data Exchange Program (GIDEP) | <u>5</u> |
| h | Trade Associations | <u>23</u> |
| i | Other, please specify: | <u>12</u> |

- 2 OSD Directives/DCMC HQ directives.
- 3 Acquisition reform conferences.
- 13 Acquisition reform day.
- 17 Direct communication with company presidents.
- 19 Company initiative.
- 20 Acquisition reform day.
- 21 Contractor SPI focal points/meetings.
- 23 High level DoD industry contacts.
- 24 Satellite broadcasts.
- 25 DCMC HQ liaison with each service and management council.
- 27 SPI management council.
- 33 Speakers at company conference.

3) Of the methods listed above which do you believe have been the two most effective promotion methods?

- 1 DCMC Road shows and Local DCMC office and SPI home page.
- 2 OSD Directives/DCMC HQ Directives and Conferences.
- 3 Local DCMC representative and DCMC Home page.
- 4 Local DCMC rep and Supplier Conferences.
- 5 Supplier Conferences and DCMC representative.
- 6 DCMC Home page and Road shows and workshops (much less effective).
- 7 Local DCMC rep and Supplier Conferences.
- 8 DCMC rep and DCMC Home page.
- 9 DCMC Road shows and Local DCMC office.
- 10 DCMC Road shows and Local DCMC office.
- 11 DCMC Road shows and Local DCMC office.
- 12 DCMC road show.
- 13 Local DCMC office and program office.
- 14 DCMC/Government home pages and Supplier industry Conference.
- 15 DCMC Road shows and Supplier Industry Conference.
- 16 N/A.
- 17 Direct communication with company presidents and supplier industry conferences.

- 18 DCMC Home page and conferences.
- 19 Company initiative and trade associations.
- 20 Local DCMC representative and Supplier Industry Conference.
- 21 Local DCMC representative and Supplier Industry Conference.
- 22 Local DCMC representative and Supplier Industry Conference.
- 23 Local DCMC ACO, DCMC district.
- 24 Supplier industry conference and DCMC road show.
- 25 DCMC rep and management council.
- 26 DCMC rep and DCMC Home page.
- 27 Government program office and SPI mgt council (includes A, C, G, F and I).
- 28 Local DCMC rep and supplier industry conference.
- 29 DCMC rep and Home page.
- 30 Local DCMC and Government program office.
- 31 Local DCMC reps supplier/industry conference.
- 32 Government contracting office and local DCMC rep.
- 33 Speaker at company conference and supplier industry conference.
- 34 Local DCMC rep and road show.
- 35 Local DCMC rep and Government contracting office.
- 36 Workshop and program office.
- 37 Government program office and local DCMC rep.
- 38 ?
- 39 Local DCMC and Government contract office.
- 40 Local DCMC reps and SPI home page.
- 41 Trade associations and local DCMC rep.
- 42 Industry conferences and DCMC Home page.
- 43 Supplier conference and trade association.

4) Why in your opinion have these methods been effective?

- 1 Explain purpose and get word out.
- 2 They show the commitment of high level DoD/contractor personnel.
- 3 DCMC is local customer and SPI Home page contains a wealth of information.
- 4 One on one interface, partnership and received varied perspectives of others engaged in SPI.
- 5 1) Supplier conferences reach large, targeted audiences and 2) DCMC representatives work SPI directly with industry.

- 6 The Home page has lots of information and is available when it is convenient to me- even at home on AOL.
- 7 One on one contact and industry cross fertilization and competition.
- 8 DCMC is most direct approach and encourages others who don't want to be viewed as non participants- Pride.
- 9 Provides opportunity to discuss SPI, what it is, what the benefits/detractions are, how it is implemented, what makes it effective etc.
- 10 Partially because DCMC local rep must coordinate with buying command which may not necessarily support SPI's.
- 11 DCMC has been able to reach contractors on sight through the local reps and PM's/PCO's nationwide through Road shows.
- 12 Having the process explained in detail enabled us to understand how we could apply it at our facility.
- 13 It meets directly with our goal of customer satisfaction.
- 14 They allow contractors to get ideas and draw on the experience of other companies.
- 15 They show that the leadership within DoD is fully supportive of the initiative.
- 16 Change is too slow within the Government. This forces the Government to react within a certain time frame.
- 17 They communicate directly with the contractors function that can participate.
- 18 Show commitment to initiative and benefits are clearly communicated.
- 19 Committed to progress.
- 20 Local emphasis and relevancy.
- 21 Both involve those most directly involved with contractors, encouraging participation and targeting higher pay back processes.
- 22 Contractor, resident DCMC and navy program office are directly involved with implementing the intent of SPI. This is the level at which SPI is bought into by industry. SPI conferences serve to make industry aware of DoD's (as well as other companies) interest in Acquisition reform issues.
- 23 Personal presence of the representatives- and their enthusiasm-the teaming concept comes through.
- 24 Industry associations and industry have also been pushing acquisition reforms, we are able to schedule DCMC at internal workshops and luncheons.
- 25 This is where the specific topics/issues originate. Not only candidates for block change modifications, but also for process improvements that do not

require contract modification, such as better methods for processing progress payments, resolving overhead issues, etc.

-26 Most comprehensive dissemination of information.

-27 A combination of efforts by Army, Navy, Air Force program offices, Prime contractors of each local DCMC, DCAA and ACO.

-28 Direct interface between the local DCMC rep and the contractor.

-29 Direct contact.

-30 They sell the SPI concept directly from the user.

-31 All local reps were required to initiate contact with contractor, conferences hit a wide range of companies.

-32 Intimate knowledge and contact coupled with shared success goals.

-33 Knowledgeable individuals who are involved in the process that can provide meaningful answers.

-34 The road show because it introduces the concept to the boss, and rep because it is at the working level.

-35 We know our contractor and what they do that are best suited for SPI. Face to face is always best.

-36 I don't think they are effective, just most effective.

-37 Because they can have direct follow up with contractors on a continuous basis.

-38 ?

-39 Defines activity as it relates to current contracts.

-40 Local DCMC reps are in the plant and can give practical examples of lofty ideas.

-41 1) Trade associations provide knowledge to contractor on new way to standardize processes and save money 2) Local office continues to push for changes to take effect.

-42 They get the greatest overall exposure for SPI.

-43 They have hit the largest group and have contained real examples/experiences of SPI.

5) Please identify methods, that are being used, that you consider to be ineffective?

- 1 Don't know of any.

- 2 All contribute to some degree once the commitment has been established, but Government program office has not been that productive.

- 3 Buying activity and procurement office.

- 4 N/A.
- 5 All methods have impact, some more than others.
- 6 Road shows and workshops require travel. I don't even know about GIDEP.
- 7 GIDEP.
- 8 None.
- 9 All the methods are effective to some degree in getting the word out on SPI. What is ineffective is processing SPI's for the sake of meeting metrics or getting counts up for implementing initiatives at a facility. Wrong metric to measure.
- 10 The Government contracting office is not as effective as it could be.
- 11 N/A.
- 12 N/A.
- 13 I personally have never heard of GIDEP and the supplier/industry conferences does not focus on the right groups within the company.
- 14 N/A.
- 15 None, all are effective.
- 16 The ineffectiveness relates to the inflexibility too make change that make sense.
- 17 SPI Team Road show.
- 18 Local DCMC promotion.
- 19 DCMC info letters.
- 20 Taken together all are effective.
- 21 Road shows and other types of broadcast marketing are least effective.
- 22 DCMC SPI team Road shows are not specific enough for the contractor.
- 23 Road show, Government agency Home page.
- 24 Government program offices and PCO's are not totally familiar with SPI.
- 25 N/A.
- 26 N/A.
- 27 Home pages, Road shows "Johnny come lately" efforts by the many acquisition reform groups at DoD and DLA.
- 28 I don't think any methods are ineffective, some are more effective than others.
- 29 GIDEP.
- 30 None.
- 31 Home pages - ineffective to initiate but good status and info , program office, no buy-in, too busy, etc, didn't see benefit.
- 32 GIDEP and Government program office.
- 33 Holding DCMC accountable for processes in their areas.

- 34 Home page.
- 35 GIDEP.
- 36 See #4 above.
- 37 SPI Home page.
- 38 Cold selling by DCMC office commander/rep to contractors.
- 39 GIDEP and SPI Road shows.
- 40 Internal DCMC communications to small vendors.
- 41 Don't know.
- 42 Local exposure to SPI concepts.
- 43 Brochures.

Why are these methods ineffective?

- 2 The program offices rarely initiate, they react to higher authority .
- 3 They do not appear to be strong supporters of the initiatives.
- 5 See above.
- 6 Best way to learn about SPI is to do, not go to road shows and workshops. All the interaction we need can be achieved via E-mail and Home page postings. I've given road shows to other ACO's and contractors with limited success. There seems to be a real lack of enthusiasm among small to mid sized contractors.
- 7 Never heard of anyone referring to it as a good source for SPI.
- 8 N/A.
- 9 See above.
- 10 Government contracting offices and program offices have own priorities and are not necessarily supportive of SPI's.
- 11 N/A.
- 12 N/A.
- 13 For any method of change to work aggressively it needs to be driven by the customer directly.
- 14 N/A.
- 15 N/A.
- 16 The ACO should be given more flexibility to make changes that make sense.
- 17 Too general, presented to too many people not directly involved.
- 18 Lack of commitment to process and fear of downsizing.
- 19 Limited distribution, rely on each level to further spread the word.
- 20 N/A.

-21 The key to realizing benefits and increasing participation is showing contractors what's in it for them. The targeted marketing approach.

-22 DCMC SPI team road shows are not specific enough for the contractor.

-23 To Government "stereotyped", just another program without the personal contact.

-24 Word is not getting down to the buyers since the DCMC office ACO is the lead coordinator.

-25 N/A.

-26 N/A.

-27 Waste of effort by those trying to implement SPI. Too many report requirements. Too many Government employees required to do nothing. They don't know the field processes, yet try to direct what happens on a dictated time schedule for self serving purposes: ie reporting to higher level mgt for the purpose of gaining recognition regardless of the validity of the information.

-28 N/A.

-29 ?

-30 None.

-31 See above.

-32 1) GIDEP has traditionally been perceived as a negative system and tends to be avoided, 2) Government program office, no rational explanation, as SPI clearly has cost and schedule savings potential. Judgement would be that business as usual because this has worked before.

-33 Industry should be accountable along with DCMC. This should provide for a more partnering environment.

-34 Not everyone is familiar with surfing the web. Better advertising needs to be done about what is there and how to get there.

-35 This program gives SPI the "bg picture" to industry, but doesn't bring it down to actual application.

-36 Few are familiar with program, those who are familiar, view SPI as a defense contractor initiative.

-37 Contractors seem only interested in their own situation and do not benchmark or need information about others, nor do they have the time to surf.

-38 Absence of success stories, lack of applicability to contractors business.

-39 From my knowledge the message is geared somewhat towards Government personnel.

-40 Word hasn't gotten out to many small suppliers.

-41 Don't know.

-42 SPI needs to be exposed to a large number who have opportunity to interact and discuss SPI.

-43 Not enough detail for a complex subject like

SPI.

6) Can you recommend other methods that might be more effective in promoting the initiative?

- 2 Success stories, especially from program offices to contractors. Contractors will only do what they perceive their customer wants.

- 3 There needs to be an incentive for the contractor. It is very hard to do now.

- 4 No.

- 5 Make SPI part of DoD acquisition reform day agendas annually.

- 6 No.

- 7 No.

- 8 Publication of results to encourage contractor CEO's to push for greater participation.

- 9 Measure actual cost savings/avoidance and let the program sell itself.

-10 Establish a separate office in buying activity to oversee the SPI program within command.

-11 N/A.

-12 N/A.

-13 Yes, support from the program office of those SPI's that would add greatest cost reductions for their products.

-14 N/A.

-15 More training to the lower Government levels, ACO's, DCMC, PCO's.

-16 Share information relative to changes made at other contractors.

-17 More streamlined approval process.

-18 Making the approval process smoother, (particularly when similar SPI's have been approved within the industry).

-19 Government program office involvement should be emphasized, recommend management council membership.

-20 Get program offices behind it more.

-21 Having prime contractors mentor their subs in using SPI.

-22 No, I contend that whatever solution we (DoD) develop must incentivize contractors.

-23 No.

-24 No overall there has been a great deal of publicity relative to promoting SPI.

-25 Publicize success stories, via the Internet, or other widely disseminated media.

- 26 N/A.
- 27 Primes to subs, PEO's to PM's. Recognize the Government program office that make it happen.
- 28 Not really, it's working. DCMD's have implemented tiger teams to help facilitate implementation.
- 29 N/A.
- 30 There needs to be more widespread knowledge about the success of SPI.
- 31 Not really- about all reasonable means have been used.
- 32 Not really, the local contracting office DCMC reps and program offices working with contractors will realize the benefits.
- 33 Allow the savings dollar to be shared by contractor/Government for first year.
- 34 Better publicity on what contractors are doing and the success of the program.
- 35 Actions speak louder than words. Industry needs to see that all of DoD is behind and supports this initiative.
- 36 I could but I won't I like my job.
- 37 Program needs more visibility at the program level. DCMC monitors metrics, but PM does not.
- 38 DCAS work up-front -review contract by contract for potential valuable changes.
- 39 Not at this time.
- 40 Better training of far flung (small plant) DCMC reps.
- 41 Set up committee with congress to reduce present FAR procedures to become more streamlined.
- 42 High and low level mgt are onboard, middle mgt is the bottleneck.
- 43 More advocacy by the PEO and PM community.

7) **As a DoD contractor, have you been involved in promoting the single process initiative with your subcontractors/suppliers? (please circle):**

Yes 13 No 5 N/A 25

8) **If yes, what methods have your company used?**

- 2 We have begun discussing SPI with subs and have sent out letters encouraging participation.
- 3 Personal visits.
- 4 N/A.
- 5 N/A.
- 6 N/A.

- 7 Supplier conference.
- 8 N/A.
- 9 N/A.
- 10 Notified suppliers of SPI and solicited responses.
- 11 N/A.
- 12 N/A.
- 13 We presented SPI at our annual supplier outing to our largest suppliers and asked their involvement to identify savings.
- 14 N/A.
- 15 Supplier conferences primarily.
- 16 N/A.
- 17 Supplier day, follow-up letters, direct contact.
- 18 Supplier, contractor, Government conferences, letter campaigns, presentations during supplier visits.
- 19 Supplier SPI conferences, letters to suppliers explaining SPI.
- 20 Briefings, letters, process flows, supplier conferences.
- 21 N/A.
- 22 N/A.
- 23 Flowdown via our subcontracts, very low activity to date.
- 24 Company workshops.
- 25 N/A.
- 26 N/A.
- 27 N/A.
- 28 Conferences.
- 29 N/A.
- 30 N/A.
- 31 N/A.
- 32 Sharing approved SPI concepts and potential concepts.
- 33 Mailers and phone calls. SPI was also stressed at a meeting held with selected suppliers.
- 34 N/A.
- 35 N/A.
- 36 N/A.
- 37 N/A.
- 38 N/A.
- 39 Awareness and resource for implementation.
- 40 N/A.
- 41 N/A.
- 42 N/A.
- 43 Sent letter soliciting SPI inputs from suppliers.

9) Do you think these methods have been effective?
(please circle): Yes 8 No 4 N/A 31

- 2 The process is really just starting at this contractor. The contractor encourages subcontractors to use any methods they can think of to meet the requirement. When a proposal comes in the contractor will verify that the method is compliant.

- 3 To a degree, the process becomes more cumbersome the further down the chain you go.

- 4 N/A.

- 5 N/A.

- 6 N/A.

- 7 Nothing on SPI for the supplier/SPI very complex and costly.

- 8 N/A.

- 9 N/A.

-10 Above methods have been partially effective.

-11 N/A.

-12 N/A.

-13 The results are not in because we just presented SPI in August 1997.

-14 N/A.

-15 They have served to demonstrate that our company as a prime contractor fully supports SPI and is willing to extend the concept to our supplier base.

-16 N/A.

-17 We have gotten over 100 requests from suppliers.

-18 Yes, moderately effective, we're in the early stages, so supplier knowledge is just beginning. Incentives may be necessary.

-19 No, difficult for suppliers to identify their received/perceived benefits.

-20 Several supplier submittals.

-21 N/A.

-23 Most of our suppliers have not actively pursued changes and/or the changes identified haven't been applicable.

-24 N/A.

-25 N/A.

-26 N/A.

-28 The contractor could be more effective.

-29 N/A.

-30 N/A.

-31 N/A.

-32 Potential benefits are recognized and viewed as achievable (already approved concept).

- 33 Allows suppliers to help themselves, their contractors and customers to be more cost effective.
- 34 N/A.
- 36 N/A.
- 39 Not a big driver or need at the supplier level.
- 42 No, they need a critical mass of primes to allow SPI use before they can implement.

10) How many concept papers has your company submitted under the single process initiative? (1) 11, (2) 40, (3) 14, (4) 5 (5) 25 (6) 6 (7) 8 (8) N/A (9) N/A (10) 2 (11) 26 (12) 1 (13) 12 (14) N/A (15) 126 (16) 1 (17) 10 (18) 100 (19) 17 (20) 18 (21) NA (22) 8 (23) 9 (24) 20 (25) N/A (26) N/A (27) N/A (28) 41 (29) 1 (30) 3 (31) 27 (32) 4 (33) 1 (34) 5 (35) 1 (36) N/A (37) 5 (38) N/A (39) 5 (40) N/A (41) 5 (42) 18 (43) 8

11) In your experience, have concept papers been approved within the 120-day goal:
(please circle)

| | |
|---------------------------------|-----------|
| a. All of the time (100%) | <u>13</u> |
| b. Most of the Time (about 75%) | <u>14</u> |
| c. Some of the Time (about 50%) | <u>8</u> |
| d. Rarely (about 25%) | <u>4</u> |
| e. Never (0%) | <u>2</u> |
| N/A | <u>2</u> |

- 8 Varies by location (except for ones requiring regulatory waivers).

-20 Greater than 90 percent.

-26 N/A.

-27 N/A.

12) In your opinion is the 120 goal realistic and achievable? (please circle)

Yes 33 No 9 N/A 1

- 2 If the paper is discussed ahead of time with customers and internal objections are overcome.

-15 Yes, for most non highly technical initiatives.

-26 N/A.

-27 No, it took 14 months for the first effort.

Only if manipulated.

-28 Very tough goal.

- 31 Yes, but see below.
- 41 Except for FAR changes.

13) If you were to set the goal, what period of time would you set?

X Days : (1) 180, (2) 90 (3) 120 (4) 120 (5) 200
 (6) 180 (7) 120 (8) 120 (9) 120 (10) 90 (11) 300
 (12) 120 (13) 120* (14) N/A (15) 120/365 (16) 120
 (17) 60 (18) 80 (19) 120 (20) 120 (21) 120 (22) 120
 (23) 120 (24) 180 (25) 120 (26) N/A (27) None (28)
 180 (29) 60 (30) 120 (31) 180 (32) 60 (33) 120 (34)
 180 (35) 120 (36) 120 (37) 120 (38) 120 (39) 180
 (40) 120 (41) 120 (42) 180 (43) 120

- 1 Give more time for adequate coordination.
- 2 If the precoordination is done the approval and wording of the mod won't take that long. Breaking the initial paradigms are what take the time.
- 3 This seems like a reasonable goal for most papers.
- 4 We have been able to achieve this goal.
- 5 Our approach with the contractor is nationwide, one proposal applied to all facilities and customers across 27 states.
- 6 (stated 120 days is achievable, but recommended 180) It takes time for the CTL's to get concurrence from all PCO's and PM's- Really tight.
- 7 No change.
- 8 It's realistic if all parties work intelligently to have fully developed concept paper when submitted. Without a reasonably tight time period little will get done.
- 9 The number of days available is not of issue. Having the timing to work SPI is. Many people associated with SPI do not do SPI full time.
- 10 To ensure maximum cost savings.
- 11 This seems to be what we are able to achieve through on going efforts.
- 12 None.
- 13 120 days is sufficient, but time should start from agreement of the paper with local DCMC and presentation to the management council.
- 14 Depends, as the proposed concepts become more involved the longer review and concurrence will take. The 120 day should be a goal not a mandated period.
- 15 I would have two goals 120 days for non complex initiatives and 365 days for highly complex endeavors.
- 16 This goal is realistic and achievable.

-17 It should be more or less a standard approval after the same concept is approved by a few companies.

-18 Many (most) concept papers have precedence of approvals at other sites companies.

-19 N/A.

-21 Aggressive but achievable.

-22 Most concept papers reviews can occur within this time frame. Any that exceed this period must be justifiable.

-23 It appears adequate, any longer focus is lost and productive action gets diluted.

-24 Depending on customers based diversification of business, ACO must seek comments from several other agencies.

-25 If subject is highly technical and complex additional time is warranted with HQ concurrence.

-26 N/A.

-27 For the people how are working the problem a goal isn't necessary. They do it in the proper time and do it right. The goal is only for reporting to people not involved in the process.

-28 Many of the proposals/concept papers require much discussion and negotiation to resolve issues.

-29 My experience is that if you give 30 days for a response, it will take 30 days. Time and quality of response usually not related.

-30 This allows for unanticipated delays in the process.

-31 This is the approximate time line given for a UCA contract action which requires some of the same coordination.

-32 If the concept is worked jointly. As a team initially there is no reason it should cause subsequent disapproval at higher echelons.

-33 N/A.

-34 The CTL's realistically need more than 30 days to staff a concept paper. 60 days would be more appropriate.

-35 Good ideas lose their effectiveness over time. If it makes sense do it.

-36 Seems about right.

-37 Seems aggressive, but attainable.

-39 Review cycle among the various mgt council members is long.

-40 Long enough to get coordination done, but short enough to feel deadline pressure.

-41 Leave it the same, it works.

-42 6 months max.

-43 To drive a sense of urgency by all.

14) What impediments have you experienced that delayed the approval process making the 120-day goal unachievable?

- 1 Having all required info present.
- 2 First not having Component team leaders (CTL's) Then getting CTL's that were senior enough to be effective, then dealing with the decentralized Navy structure, overcoming paradigms/rice bowls, and overcoming laws and statutes.
- 3 Some people have been unwilling to accept the culture change.
- 4 N/A.
- 5 Customers at various locations reluctant to change.
- 6 CTL's take too long, but it is not their fault. PCO's and PM's are slow to reply.
- 7 None.
- 8 Poorly developed concept papers, no advanced discussions, FAR-DFARS waivers very slow.
- 9 Availability of people for coordination, availability of time to address SPI, size and complexity of particular SPI.
- 10 Timely response from program office. Also requests for additional data delayed the process.
- 11 Contractor centralization of process ownership in a nationwide SPI implementation environment.
- 12 None.
- 13 The big delay has been dealing with different offices on very specific questions rather than overall concept.
- 14 The waiver/deviation process for concept papers concerning FAR/DFARS requirements.
- 15 All of the coordination that is needed with the various customer bases affected. I am not saying this is wrong it is just time consuming.
- 16 None.
- 17 Offsite evaluation by people who don't understand acquisition reform.
- 18 Lower level DCMC (ACO and CTL) commitment to SPI and change, understanding acquisition reform.
- 19 N/A.
- 20 Meeting schedules, availability of reviewers.
- 21 Failure to follow the SPI process, by not quickly elevating issues up the acquisition chain for

resolution.

-22 Disagreement on the technical merits of the concept paper. The configuration management CP seemed to stir a lot of emotion among the DoD technical evaluators. DCMC had to step in at one point and get the players back together.

-23 Only where regulatory action was required, or multi agency objectives were raised.

-24 Any recommended FAR changes were never approved. Government did not know how to handle them under SPI. Some Government customers unwilling to change.

-25 Not coordinating with key customers and other stakeholders in a timely fashion.

-26 N/A.

-27 Improperly presented concept papers trying to meet a goal and beat other contractors to look good.

-28 Coming to agreement/compromise on issues, negotiating consideration. Consideration is extremely tough, 120 days leaves Government in tough position.

-29 Unknown.

-30 None.

-31 Mgt council difficult to schedule, legal office buy-in, cost benefit analysis problems, program office non-concurrence.

-32 N/A.

-33 ACO not trained to embrace this process.

-34 In most instances additional questions concerns needed to be addressed for the CTL's. Some were working from their own agenda rather than from the bigger picture.

-35 N/A.

-36 Feedback from buying commands.

-37 Not everyone believes that SPI's are so important as to take precedent over everything else they are doing.

-38 N/A.

-39 Word smithing the proposal.

-40 1) Getting right people together, 2) tendency towards corporate wide mgt councils.

-41 The biggest impediment is buying office (individuals in charge) willing to accept new processes.

-42 Technical review by CTL's and responses from contractor.

-43 Resistance by those not yet up to speed on SPI.

- 15) Were these impediments specific for only certain concept papers or do you believe they were systemic problems?

- 1 Systemic.
- 2 Mostly systemic.
- 3 Issues raised by Government attorneys.
- 4 N/A, Note, other contractors had problems because their concepts were not fully developed. We waited until our concepts were well defined before submitting the concept papers.
- 5 Systemic.
- 6 Systemic.
- 7 N/A.
- 8 Systemic when pressure is on to meet some statistical goals as to # of concept papers.
- 9 Impediments vary with concept papers, availability of people and time is systemic where dedicated people/time is unavailable.
- 10 Only applies to certain papers.
- 11 Systemic.
- 12 N/A.
- 13 Systemic.
- 14 This is definitely a systemic problem, there has been no special process or urgency developed for these types of SPI's.
- 15 It is systemic, perhaps if more component leaders could be more focused on this part of their jobs that is full time vs part time concentration.
- 16 N/A.
- 17 It is systemic although worse in certain areas. (Packaging, product drawings).
- 18 By and large systemic.
- 19 N/A.
- 20 Systemic.
- 21 Systemic, more pressure should have been applied earlier in the program to make sure issues were quickly elevated.
- 22 Certain papers. The JMC relies upon technical folks to really weed out the issues. The CM CP seemed to be a very sensitive subject. Other CP's have not been as controversial to process.
- 23 Specific only.
- 24 FAR were systemic problems.
- 25 Certain concept papers (certain ACO's).
- 26 N/A.
- 27 Systemic, a proper concept paper needs to be developed using experts from the contractor, and all three services experts. Too many times contractor types toss improper, inadequate, incomplete concept papers over the transom just to get #'s and they have to be redone the proper way.

- 28 Not systemic, impediments only on certain papers.
- 29 N/A.
- 30 N/A.
- 31 Both, specific papers were more difficult than others, but generally difficult to coordinate as well.
- 32 N/A.
- 33 Systemic.
- 34 More systemic, particularly from the Air Force and Navy Reps.
- 35 Systemic, too many levels involved in the approval process.
- 36 Systemic, buying commands like their jobs too.
- 37 Systemic and I'm one of them. Upper mgt must make SPI work, but upper mgt also understands that other things need their attention too. Hence, not all SPI's are created equal. Some get pushed, others get bogged down, so be it. SPI's are not the sole important thing we do.
- 38 N/A.
- 39 Systemic.
- 40 Systemic.
- 41 The above is a systemic problem.
- 42 Systemic, all our papers have run into similar situations. Hard to get all services and NASA to agree on a process they can use and be happy with.
- 43 Systemic.

16) In your experience, what have been the primary barriers that have kept a company from submitting a concept paper?

- 1 Trying to stay alive.
- 2 The contractor has been very forward thinking. They just submit most ideas and negotiate acceptance later.
- 3 The amount of work required for a small payback.
- 4 The companies concept for a SPI hasn't been mature enough. Also, coordination with multiple customers needs to occur prior to submittal.
- 5 Finding resources to manage development of SPI proposals.
- 6 Apathy, Distrust. I'm lucky, my contractor and I have been teaming for years. If there isn't a prior history of teaming, contractors are reluctant.
- 7 Finding a meaningful area to apply SPI beyond the "low fruit".
- 8 Available time during restructuring, lack of CEO/Top mgt interest.

- 9 Understanding of the concept, willingness to participate.
- 10 Position taken by program office that contractors concepts are not valid.
- 11 Resources to support the preparation, review and follow-up of SPI papers.
- 12 Available work force is a problem.
- 13 The only barriers we perceive are trying to change those items based in law (property/subcontracts).
- 14 Former attitudes that the Government and specifically each program office has its own rice bowl which they are unwilling to look beyond.
- 15 Identification of future cost avoidance or savings assessments, sometimes there may be a better way of operating, but the savings may be difficult to pin down.
- 16 This is not a big deal, but the Government was a little picky on the format of the concept paper.
- 17 No incentive to warrant all cost of preparation and approval to have lower price, lose profit and give back consideration.
- 18 Local DCMC relationships, fear of change, lack of incentives by contractors.
- 19 None.
- 20 Lack of understanding.
- 21 Failure by management to see a positive return on investment.
- 22 Generally completeness of the CP. CP's require some research and (as preferred by the JMC) discussion with the JMC and (sometimes) DoD technical evaluators.
- 23 N/A.
- 24 Unwillingness to change their current processes. Block changes were only applicable to existing & not future contracts.
- 25 Some do not want to go through the "Red Tape" and others fear the Government will want consideration.
- 26 Not knowledgeable in the areas applicable to concept paper submission, need more publicity.
- 27 Lack of experience or knowledge on proper preparation, However, the reinvention/SPI labs implemented the proper process.
- 28 Fear of running into the "rice bowl mentality" of Government reviewers.
- 29 Decision by the management council to pursue ideas as contract changes rather than initiatives.
- 30 None.
- 31 They don't want to have to write a check (negotiate consideration) for the big changes & risk of changes from traditional processes.

- 32 None.
- 33 Having to return money to the Government.
- 34 Internal education, many people don't understand what is trying to be accomplished. Companies are also having to shift mind sets and their own rice bowl issues.
- 35 1) Belief in the system, the Government changes direction to often 2) will they really get a cost benefit too?
- 36 There are no barriers other than ignorance.
- 37 Return on the investment. The savings must be worth the effort involved.
- 38 N/A.
- 39 Lack of knowledge and lack of need to change.
- 40 Knowledge of program, increased risk.
- 41 Time to develop a concept paper.
- 42 Few, contractor has been very good, but they need more personnel working SPI.
- 43 Complex approval process and incentives.

17) In your experience, what have been the primary barriers that have kept a concept paper from being approved?

- 1 Not fully thought out.
- 2 Overcoming paradigms or rice bowls. Risk aversion on the part of the program office is also difficult to overcome.
- 3 Many cultural issues and certain areas such as Government property and commercial packaging have been off limits.
- 4 N/A.
- 5 Coordination/Resolution of issues nationwide across enterprise.
- 6 We have only had one withdrawn and that was simply because the contracts were too far along to benefit from the change.
- 7 Two were withdrawn for limited affectivity, other six were no problem.
- 8 No advanced clearance/discussions with certain customers that are likely to have concern about changes.
- 9 Understanding of proposed initiative and how it meets service requirements, differing requirements between the services (Air Force, Navy, Army).
- 10 Negotiation of equitable price adjustments and unrealistic approach by program office.
- 11 Program office concerns regarding program

impact. SPI assumes a performance based contract environment, many "legacy" contacts don't have performance specs. As such, if PM's give up right to review and approve processes, they can not be sure of impact on program.

-12 N/A.

-13 Too much emphasis on how well we are replacing present standards and not enough emphasis on the future way we will do business.

-14 Lack of info within a given concept paper necessary to render a sound business/technical decision.

-15 Often times it is not given a chance at DCMC. It is denied and not worked hard enough. Obtaining full consensus from all affected customer bases is not easy.

-16 None.

-17 Rejections by offsite evaluators that either don't understand acquisition reform or are protecting their rice bowls.

-18 Government DCMC not committed to the process/fear of change.

-19 None.

-20 None - all have been approved.

-21 1) Concept papers that affect law or regulation, 2) inability, unwillingness of Government to relinquish control/approval of processes to the contractor.

-22 None, apprehension slowed the processing time, but every CP to date was approved.

-23 Only when regulatory changes were required.

-24 Large customer base, insufficient information, concept papers deal with changes to FAR/DFARS.

-25 Inappropriate candidates for block change modifications, ie proposing waiver to a FAR clause that allows flexibility already. Contractor not discussing the subject at management council meetings, but rather dropping on the ACO without notice.

-26 N/A.

-27 Lack of technical acceptance.

-28 Lack of a viable industry or company specification or standard to replace the mil-spec/std. Replacement spec or std does not cover the areas that the mil-std did.

-29 Only one prime customer at facility.

-30 Separate commands have different ideas on what is acceptable.

-31 Program officer is risk averse, don't want to deviate from traditional familiar mil-std.

-32 None.

-33 Cost savings too low or non existent.

-34 Reluctance to move from how things have always

been done.

-35 The Government works on paperwork and bureaucracy, we are afraid of change and afraid that industry is trying to get over on us if we have to change.

-36 All have been approved.

-37 The savings are not analyzed prior to submission. Hence the Government side feels they are not getting enough consideration.

-38 See answer to 8.

-39 Rice bowl issues, some areas won't let go or do not trust the process.

-40 Unfair balance of risk and reward, little incentive for Government to take on more risk if no reward/consideration.

-41 None.

-42 Lack of personnel working SPI. Need to get technical reviewer from services and NASA together.

-43 All of ours have been approved.

18) What barriers/impediments can you identify for single process initiative concept papers to be submitted and approved between prime and subcontractors.

- 1 A prime having to understand many subcontractors different processes and time to validate. - 2 The issue of consideration would certainly be a difficulty as well as subcontractor fear that they won't be complying with the Government requirements.

- 3 None discussed.

- 4 Coordinating with multiple customers and the difficulty with accommodating their varying viewpoints.

- 5 Approval of subcontractor SPI proposal at all primes after initial DCMC approval.

- 6 ACO's don't always know the subs. ACO's are reluctant to get between prime and sub.

- 7 Too many problems to fit on three lines, cost to sub, sub as multiple primes, sub not motivated- cost benefit low, etc.

- 8 None.

- 9 Documentation requirements, SPI concept/process understanding. Subcontractor interest.

-10 Educating subcontractors on concept of SPI.

-11 Primes are ultimately responsible for contract performance and may not be willing to play trust me with vendors.

-12 N/A.

- 13 N/A.
- 14 Privy of contract the Government cannot enforce any real subcontractor SPI policy. Primes are not willing to increase its risk by allowing its subs there own internal processes.
- 15 Prime contractors often times have there own internal preferences for processes that get imposed on their subs consequently making subs deal with multiple processes from their various primes.
- 16 None.
- 17 Long approval time of prime and Government, suppliers must make multiple submittals to each prime, consideration.
- 18 N/A.
- 19 None.
- 20 Subcontractor resources, communication, SPI process understanding.
- 21 Prime contractors unwilling to state requirements in performance terms instead, specifying the process to be used.
- 22 The subcontractor needs to have a similar CP approved (or be operating under a commercial standard) and the prime needs to be amenable to allowing the sub to use their process.
- 23 None.
- 24 Prime unwilling to accept subcontractor's SPI concept paper until approved by the Government.
- 25 Not coordinating the concept paper with all parties, if sub has prime and subcontracts, both the Government ACO and the prime contractor customer must ? (unreadable)
- 26 N/A.
- 27 N/A.
- 28 Less oversight/involvement by the Government may require more involvement of the prime over the sub. Prime may be unwilling to give the sub that much autonomy.
- 29 N/A.
- 30 N/A.
- 31 Risk, if they let a sub work under different processes then they require, the Government could bite them if product is faulty.
- 32 None, the process of identification, submission, and approval, when approved jointly and worked jointly throughout, will yield beneficial SPI concepts and changes.
- 33 If savings are involved, how are they identified and passed on to the customer, particularly where a sub has several primes and customers.
- 34 It adds at least one more layer to the process.

The local ACO has no authority over the sub and no leverage in getting it modified. Sometimes it's an issue of educating the prime.

-35 Trust.

-36 In my experience all submitted have been approved.

-37 Again, return on investment. If vendors know they can save dollars they will work SPI's, but getting real savings are hard to achieve.

-38 None.

-39 Lack of knowledge of applicable SPI's that are eligible to be pursued.

-40 Subcontractors serve many primes and it is expensive for them to sign up to multiple processes.

-41 Don't know of any.

-42 How to go about it, we are working on a method at the moment.

-43 Resistance to release contract of sub processes, desire to flow down primes favorite process to subs and lack of exposure to SPI.

- 19) To your knowledge, what are the primary criteria that the Government uses in deciding whether to approve or disapprove a concept paper?

Cumulative Responses

Importance of Criteria(1-8) and number of responses

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Responses |
|----|----|----|---|---|---|---|----|---|
| 4 | 5 | 13 | 7 | 3 | 5 | | | Reduced manufacturing and management costs |
| 4 | 6 | 5 | 3 | | 4 | 9 | 3 | Simplified business practices |
| 22 | 3 | 2 | 2 | 6 | 1 | 2 | 1 | Technically acceptable |
| 3 | 4 | 5 | 3 | 6 | 5 | 6 | 2 | Identified or anticipated short-term savings/cost avoidance |
| 1 | 7 | 5 | 6 | 5 | 5 | 5 | 4 | Identified or anticipated long term savings/cost avoidance |
| 1 | 10 | 2 | 6 | 3 | 6 | 6 | 4 | Adequacy of cost benefit analysis |
| 6 | 6 | 6 | 7 | 5 | 3 | 2 | 1 | Improved cost, schedule or technical performance |
| 2 | 1 | 5 | 1 | 4 | 2 | 1 | 17 | Reduced contact administration requirements |

Government Responses

Importance of Criteria(1-8)and
number of responses

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Responses |
|----|---|---|---|---|---|---|---|---|
| 3 | 3 | 8 | 4 | | 3 | | | Reduced manufacturing and management costs |
| 3 | 5 | 4 | 2 | | 1 | 3 | 1 | Simplified business practices |
| 11 | 2 | 2 | 2 | 4 | 1 | 1 | | Technically acceptable |
| 2 | 2 | 2 | 2 | 3 | 2 | 5 | 1 | Identified or anticipated short-term savings/cost avoidance |
| 1 | 4 | 2 | 2 | 5 | 4 | 2 | 2 | Identified or anticipated long term savings/cost avoidance |
| 1 | 3 | 1 | 3 | 1 | 5 | 4 | 4 | Adequacy of cost benefit analysis |
| 3 | 4 | 4 | 4 | 2 | 1 | 1 | 1 | Improved cost, schedule or technical performance |
| 1 | 1 | 3 | 1 | 3 | | 1 | 9 | Reduced contact administration requirements |

Contractor Responses

Importance of Criteria(1-8) and
number of responses

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Response |
|----|---|---|---|---|---|---|---|---|
| 1 | 2 | 5 | 3 | 3 | 2 | | | Reduced manufacturing and management costs |
| 1 | 1 | 1 | 1 | | 3 | 6 | 2 | Simplified business practices |
| 11 | 1 | | | 2 | | 1 | 1 | Technically acceptable |
| 1 | 2 | 3 | 1 | 3 | 3 | 1 | 1 | Identified or anticipated short-term savings/cost avoidance |
| | 3 | 3 | 4 | | 1 | 3 | 2 | Identified or anticipated long term savings/cost avoidance |
| | 7 | 1 | 3 | 2 | 1 | 2 | | Adequacy of cost benefit analysis |
| 3 | 2 | 2 | 3 | 3 | 2 | 1 | | Improved cost, schedule or technical performance |
| 1 | | 2 | | 1 | 2 | | 8 | Reduced contact administration requirements |

20) What criteria do you believe are most important in deciding whether a concept paper should be approved or disapproved?

- 1 Reduction of cost or cost saving/avoidance for Government.

- 2 There should be a clear benefit to the Government with little increase in risk. In other words "does it make sense to do?"

- 3 Technical acceptance.

- 4 Improved cost, schedule or technical performance.

- 5 Savings/Cost Avoidance.

- 6 Is it legal (doesn't violate public law or require FAR/DFARs deviations) will it reduce Government oversight? How much can we save?

- 7 Applicability to contracts/ flexibility/ simplification/time-cost savings.
- 8 Simplified practices and reduced costs.
- 9 Technical acceptability and realistic cost savings/avoidance.
- 10 Use of commercial practices in lieu of Government specifications.
- 11 Improve cost, schedule or technical performance, identified, (not anticipated) long term savings/cost avoidance. The impetus for SPI was too save money for the Government and take advantage of contractor process improvement.
- 12 Improving DoD and contractor efficiency without impacting quality.
- 13 Improved cost, schedule and technical performance in the future.
- 14 Technical acceptability and cost avoidance.
- 15 Improved cost schedule or technical performance.
- 16 Simplified business practices and reduced manufacturing and management costs.
- 17 Technical acceptable.
- 18 Technically acceptable.
- 19 Efficiency that leads to costs savings and cost avoidance.
- 20 Is there some benefit?
- 21 Does the common process proposed by the contractor reduce the number of manufacturing or management processes while meeting the Government's technical requirements.
- 22 acceptability of the contractors process.
- 23 Improved cost, schedule or technical performance.
- 24 Improved cost, schedule or technical performance, cost avoidance.
- 25 All in #19 above.
- 26 Reduced costs while receiving a technically acceptable product.
- 27 Technically acceptable.
- 28 That it be technically acceptable and that it simplifies business practices.
- 29 Technically acceptable, adequacy of cost benefit analysis.
- 30 Cost savings.
- 31 Technical acceptability and cost savings.
- 32 Improved cost, schedule, or technical performance that yields a compliant product or service after implementation of SPI concept.
- 33 Does it make the subject process more efficient

by reducing cycle time and or cost.

-34 Technical capability and streamlining a contractors operation.

-35 Simplified business practices and long term costs.

-36 Cost benefit analysis. If a process can be cost effectively altered, great. When new processes result in lower cost great.

-37 Reducing manufacturing costs.

-38 Technical adequacy.

-39 The amount of change involved, the more change the less likely hood for approval.

-40 Adequate return for assuming increased risk.

-41 Reduced costs.

-42 Technical adequacy across all services and NASA.

-43 The technical acceptability of the process proposed.

21) Do you think that the Government and industry use the same acceptance criteria?

(please circle) Yes 25 No 17 N/A 1

- 2 Although the contractor wants to be more competitive more than benefitting the Government.

- 7 Don't know.

- 8 Yes and no, industry frequently just wants to propose something.

-27 Yes, because we do it together.

-36 Government is reducing oversight and contractor is improving profits.

22) If yes, do you believe they place the same amount of emphasis on these criteria?

(please circle) Yes 15 No 11 N/A 17

- 2 As I said, while the Government is interested in cost and risk, the contractor is primarily interested in improving its competitive position.

- 3 Both contractor and Government want to deliver a quality product.

- 7 Don't know.

- 8 N/A.

- 9 Industry is after simplification and minimization of Government oversight. Government is looking for technically sound end products at an affordable price.

-12 N/A.

-13 The SPI is looked at to see if it gives the

Government all aspects of the mil-std rather than developing a contractor system to be used on performance contracts in the future.

-14 Government is interested in allowing change that doesn't increase risk. Contractors are interested in getting rid of the bureaucratic red tape and excessive Government oversight.

-16 N/A not enough experience to comment.

-17 N/A.

-18 N/A.

-19 N/A.

-20 Strategy agreed to up front before 1st paper submitted.

-21 Often contractors seek to reduce their operating costs as a first priority.

-22 Yes, elimination of Government MIL-STDs required acceptance of industry/commercial processes that made sense.

-25 Industry places more emphasis on reduced manufacturing and management costs, whereas Government places more on improved cost schedule or technical performance and savings/cost avoidance.

-26 Yes.

-27 Yes, same as above.

-28 I think the contractors are more interested in saving themselves money, simplifying their lives.

-31 The contractor doesn't want to have to negotiate consideration- they look at long term cost avoidance, not just current savings.

-32 The local ACO, DCMC and contractor personnel are teamed and work the concepts jointly.

-35 Dollars are always the bottom line, and the quicker the better, industry may not get the contract next time around.

-42 Each wants to save money for somewhat different reasons.

-43 No, the Government is 100 percent focused on the cost savings involved.

23) In your opinion, how important a role do potential costs savings and /or cost avoidance play in the approval process? (please circle)

| | |
|----------------|-------------------|
| a. Significant | <u>19</u> |
| b. Moderate | <u>12</u> |
| c. Some | <u>7</u> |
| d. Little | <u>5</u> |
| e. None | <u> </u> |

- 2 To the contractor and its customers, this isn't as clear based on results to date.

24) In your opinion, should potential cost savings and/or cost avoidance receive more or less emphasis in the decision process? (please circle)

More 24 Less 19

- 5 Cost savings is and should be the emphasis.

- 9 About right.

-17 Each concept in its own may not result in immediate identifiable cost reductions, but cumulative, a critical mass is reached that does. The bottom of the iceberg is lots of little icecubes that must be eliminated one at a time.

-21 More on avoidance less on savings (consideration).

-25 It depends on the process being proposed, if it is ISO 9000 less emphasis.

25) In your experience, does DoD require consideration as a prerequisite to concept implementation and contract modification? (please circle)

Yes 11 No 31 N/A 1

- 6 We should be looking at long term savings, not so much instant savings.

-15 Sometimes.

-16 Not enough experience to comment, but if forced will say yes.

-17 No for us because our FFP contracts are a low percent of total.

-18 Our facility has few FFP contracts, consideration is less likely.

- 26) In your experience, does DoD have a preference for monetary consideration or non-monetary consideration? (please Circle)

Monetary 16 Non-monetary 8 Does not matter 19

- 5 Case by case evaluation.
- 11 Consideration does not seem to be a criteria at all.
- 16 Much easier for an ACO to sell if monetary savings are involved.
- 18 N/A.
- 25 As long as benefit is derived by both parties.
- 27 Doesn't matter if result is properly executed.
- 31 DoD prefers monetary, but is getting non-monetary.

- 27) What role does the desire/need for consideration play in the single process initiative process? (please circle):

| | |
|----------------|-----------|
| a. Significant | <u>10</u> |
| b. Moderate | <u>14</u> |
| c. Some | <u>10</u> |
| d. Little | <u>6</u> |
| e. None | <u>3</u> |

- 6 Telling a contractor there must be consideration puts a damper on his willingness to participate.
- 14 Moderate and increasing.
- 17 Little for us, but not in general.

- 28) In your experience, have there been any changes over time in the Government attitude or policies regarding the need for monetary consideration? (please circle) Yes 17 No 24 N/A 2

If yes, how has this attitude changed?

- 2 To date the processing of papers has been more important than consideration. Many contractors have seen this as a way to increase profits by clouding the consideration issue.
- 6 There seems to be slightly less emphasis but not a lot.
- 7 Less insistent for previously approved changes.
- 9 From a program office view point, programs are just now fully accepting the SPI concept. The monetary

consideration has not pushed to the forefront yet.

-13 It seems that the attitude of cost reduction is good for all in long term and immediate return is less of a priority.

-14 It is no longer you save a dime I want a dime back. We are looking at benefits (cost savings) to the Government as well ie. reduction in Government oversight.

-15 They more readily accept non-monetary consideration.

-16 Not enough experience to comment.

-17 More emphasis now.

-18 N/A little experience.

-23 More flexibility has been shown, there has been a willingness to consider long term benefits.

-24 In the beginning consideration was a large factor.

-25 Government is looking for significant subjects as SPI candidates. The low hanging fruit has been picked. To ensure success it's time to propose subjects that will have measured savings.

-26 N/A.

-28 Not really, most of the proposals so far have had no immediate savings but rather long term savings due to elimination of multiple processes.

-29 We have received conflicting stories on the need over the past two years.

-31 The DoD is getting more "un-simplified" in the SPI process, many ,many policy letters.

-32 The local ACO is committed to SPI and believes that the savings will be realized over time. Make the change and accrue the benefit.

-33 Long term savings/cost avoidance more acceptable now than in the beginning.

-34 Initially there was a lot more interest in the dollars, but now it doesn't seem to be quite as important.

-35 But it seems to be changing slowly.

-37 Most early SPI's did not give Government consideration, now Government is demanding better cost analysis before acceptance.

-39 Less requirement for consideration which is good.

-40 Less emphasis on immediate savings from instant contracts.

29) As a result of the single process initiative have you experienced an increase in the use of single management and manufacturing processes at your plant? (please circle) Yes 28 No 8 N/A 7

- 9 But only to a small degree.

-14 N/A.

-21 N/A.

-25 N/A.

-26 N/A.

-35 N/A.

-36 N/A.

-40 N/A.

-42 Have not seen it.

30) What are the primary benefits that your organization has gained through the use of single process initiative?

- 1 Have a number of SPI modified numbers only.

- 2 Better efficiency and better working relationships.

- 3 Reducing the number of specifications we must operate to.

- 4 Standardization of processes.

- 5 1) Application of commercial best practices and 2) reduction in processes.

- 6 More confidence in the contractors system, Reduced oversight.

- 7 ISO 9000, Single design and fab standards for PCBS, DFAS Direct vouchers, less admin, comp subcontract plan.

- 8 None or very minimal.

- 9 Have not seen any direct benefits yet.

-10 Ability to obtain a more rapid approval/disapproval than used for value engineering proposals.

-11 Have not yet seen any significant benefits pass to the Government as a result of SPI at this location.

-12 Standardization of requirements.

-13 1) Communication with our customers, both local and program offices, 2) Elimination of duplicate methods in paperwork and production areas.

-14 Hopefully more affordable weapon systems without reduction in their operability.

-15 Streamlined and effective processes.

-16 A single process which has saved time and money.

- 17 More competitive and more aligned with commercial and international practices.
- 18 Process efficiencies and streamlining, therefore improved competitiveness.
- 19 Development/Government acceptance of suitable processes replacing canceled mil-specs/stds.
- 20 Command media simplification, single process for all programs.
- 21 Trust/acceptance that contractors defined processes are capable of meeting Government performance requirements.
- 22 None, the programs contract is to mature for most SPI changes being implemented. A new CP on product packaging was just introduced to the JMC. While this CP may be implemented before the contract expires, the new packaging is expected to look the same as the old.
- 23 Elimination of duplicate processes for the same general purpose.
- 24 Elimination of obsolete processes have developed common processes that eliminate multiple processes (welding).
- 25 Enhanced effective communication, too early to evaluate.
- 26 N/A.
- 27 Better products, better processes, few instant hard savings. Many more long term cost avoidances, less surveillance requirements.
- 28 The only real benefit to us directly has been the recognition of having so many proposals and approved concept papers.
- 29 The fostering of better working relationships with Government personnel.
- 30 It has helped form better relationships between contractor and Government groups.
- 31 Not really tangible benefits, but quality audit was shortened, less oversight etc.
- 32 Simplified, more universal systems mgt and less bureaucracy.
- 33 A move away from the old proscriptive process to allow contractor/supplier to be more innovative efficient.
- 34 Streamlining to a single process, moving towards performance specifications.
- 35 Common sense for a return to some of the decision making processes.
- 36 RIF of QA specialists and Price analysts.
- 37 Forces management to continuously improve.
- 38 None, much work and no success.
- 39 Increased reliance on systems and systems

effectiveness, less system inspection.

-40 Better communications among contractor, DCMC and Program office.

-41 Single quality system.

-42 I am TAG staff and don't see the results of SPI at this time.

-43 Reduction in the amount of redundant processes to achieve the same result.

31) How might the process be improved?

- 1 Place more emphasis on up-front terms and conditions.

- 2 Allow a sharing ratio on SPI similar to value engineering. This would encourage contractors to show consideration.

- 3 Educate the working levels and get them to see the benefits of doing business a new way.

- 4 Don't know.

- 5 Encourage the services to take more risk and participate.

- 6 Contractors need to share success, especially multi-divisional companies. The contractor is the only division to fully participate in SPI. Don't try to push SPI on Small contractors. Even some medium sized ones don't belong in the program.

- 7 Remove all the metrics and reporting requirements or minimize them.

- 8 N/A.

- 9 Better coordination to identify service (Army, Air Force, Navy) requirements rather than having individual CTL's within a service for each contractor site accept review an initiative.

-10 Provide greater incentive to contractors to keep all savings on instant/current contracts.

-11 Less emphasis on time frames- once a concept paper is submitted, the clock creates an enormous amount of pressure to have a concept approved, regardless of benefit to the Government. Contracting Officers should be encouraged to use their judgement to protect the Government interest while promoting acquisition reform.

-12 Cost savings associated with reduced DoD oversight must be given more recognition.

-13 Emphasize the development of systems to be used after the elimination of MIL-STD and not how do we replace MIL-STD.

-14 Through greater knowledge on what exactly SPI

is, its benefits and how the initiative works.

-15 Collaboration of ideas across industry and Government. The concept of competitive advantage keeps industry from being willing to share its ideas with other competitors.

-16 Give the ACO the flexibility to make decision which make sense.

-17 1) DCMC should create policy papers for standard approval in areas where some number (10?) of approvals have been granted to eliminate redundancy. 2) better training to evaluators of what is and is not acceptable.

-18 1) Train throughout DCMC what acquisition reform is and the DoD's commitment to it. 2) Streamline the approval process when approved SPI concept papers exist within industry.

-19 SPI as an acquisition reform tool has been successful at the prime level and now suppliers are coming on board. SPI/block change to current contracts will however reach a point where existing contracts will have been modified- The management council should remain the constant to further acquisition reform through new tools.

-20 More program office involvement.

-21 More focus on not requiring standard manufacturing or management processes (military &/or industry) Focus on implementing performance requirements.

-22 This is N/A with respect to #30 above.

-23 Continue to place emphasis on all agencies to participate.

-24 More effective management councils. Regularly scheduled meetings with DCMC and council. Obtain top management support, establish milestones for tracking all concept papers.

-25 N/A.

-26 N/A.

-27 Continue to strive to implement through the prime subs to preclude tremendous cost at sub contractor level.

-28 Less emphasis (and thus pressure) on the 120 day cycle time and more on making sure we do what is right for the Government, the taxpayer, the contractor and the military user.

-29 N/A.

-30 There needs to be better acknowledgment of success and more widespread covering of the concept papers.

-31 N/A.

-32 Push accepted SPI concepts from each source to the other potential applications and make acceptance automatic when requested.

-33 Set in place a process to allow changes to FAR and DFARs by a management council; similar to the block change process.

-34 The level of trust in the contractor and their ability to control their processes needs to be improved.

-35 N/A.

-36 By hiring more quality assurance specialists and contract price analysts to ensure we don't pay \$400 for a hammer which will break immediately upon use.

-37 Reduced reporting and documentation methods. Let cost drive the changes, not the metrics (ie: #of SPI's).

-38 Concentrate on big dollar contractors-stop trying to make little guys play cost benefit.

-39 Once approved and validated reduce oversight.

-40 DCMC show every one they are serious by fighting for SPI in regulatory issues which have been recycling in the pentagon for ever.

-41 Quality system has gone to ISO 9000 for all customers commercial and military.

-42 Make the immediate benefits more noticeable. Use "TIMS" between services/NASA a more important part of the process.

-43 Simplify and improve contractor incentives.

32) **Has the single process initiative helped to make your organization more competitive? (please circle)**

Yes 17 No 12 N/A 14

Why/Why not?

- 1 Haven't seen any cost savings.

- 2 The contractor has eliminated many wasteful activities and has developed much better working relationships with customers and DCMC.

- 3 Other contractors are participating in the same process.

- 4 Processes are being Standardized which will improve efficiency/quality.

- 5 N/A DoD.

- 6 Don't know yet. Too soon to tell.

- 7 ISO 9000 puts us in the international quality scene.

- 8 N/A.

- 9 From a Navy program office perspective, there is no competition. The cost savings is more important.

-10 We now look for commercial methods and practices to offer to the Government.

-11 No evidence of that yet.

-12 Too early to tell. We need to implement more concept papers to see if we can indeed reduce o/h and g/a costs.

-13 It has moved our organization forward, making us address how we will do business in the future without MIL-STDs.

-14 N/A.

-15 New wire harness approach helped reduce cost and weight on helicopter programs. If we do it cheaper and lighter we're more competitive.

-16 Cost reductions.

-17 Consolidation and put emphasis on acquisition reform activities, allowed mechanisms for sharing concepts.

-18 Process streamlining has eliminated many non-value added activities. Has got more employees interested in process improvement and elimination of unuseful steps.

-19 N/A.

-20 Reduced costs, simplified processes.

-21 N/A.

-22 No, SPI changes are expected to help future contracts.

-23 Reduced costs of our production.

-24 We believe that future savings will benefit us and make us more competitive. May lead to less Government oversight, ISO 9000 has helped.

-25 N/A.

-26 N/A.

-27 The answer will of necessity be yes, it places the industrial complex organization on a level playing field or they couldn't compete. Each implement essentially the same concepts/processes and this is because you have the same players with different contractors, ie Army, Navy, Air Force and other Government agencies.

-28 We want to have the most(highest number)of approved concept papers of any DCMC team.

-29 We have yet to see a real cost savings incentive.

-30 There have not been major cost savings.

-31 We now have at least refamiliarized ourselves with the contractors processes and are in the midst of understanding the entire entity.

-32 Simplified processes with less bureaucratic overhead allow more aggressive bidding and establish a stronger can do attitude.

-33 We are not far enough into the process yet.

-34 N/A.

-35 No, sole source product.

-36 N/A.

-37 Our contractor has historically sought changes and improvements to contracts. SPI now documents the process better, but does not increase the changes.

-38 N/A.

-39 Commercial market makes us competitive, not SPI's.

-40 N/A.

-41 Reduced costs.

-42 I am DCMC SPI focal point at the contractor.

-43 Has allowed implementation of less costly processes.

33) Has your organization experienced significant cost savings as a result of the single process initiative? (please circle)

Yes 10 No 29 N/A 4

Why/Why not?

- 1 Concept still based on old military standards, just termed new policies. ie ISO.

- 2 The contractor has returned to date \$5 million in consideration and we project over \$20 Million /year in cost avoidance. The contractor estimates a 4 percent reduction in labor costs.

- 3 We have been working to improve our processes over the past few years and already taken significant savings out of the way we do business.

- 4 Standardizing/improving processes are part of our way of doing business to remain competitive.

- 5 Contractor is showing large cost avoidance over five years.

- 6 Cost savings yes, but significant no. SPI takes a lot of time to administer- probably 70 percent of my time as an ACO. I'm hoping that future savings will be better.

- 7 Type of change will benefit future.

- 8 We have incurred more hours to provide input on concept papers and attend meetings. Savings are with contractors and Government customers.

- 9 There is seldom any large instant contract savings on SPI's. Most are long term savings that we have yet to see. Further, new programs are already functioning similar to the proposed initiatives. As a result, implementation across the plant yields minimal direct savings to the program. Future contracts may well receive the cost benefit--That remains to be seen.

-10 A significant savings was realized on an approved SPI despite a lengthy negotiated settlement.

-11 It may still be too soon to see cost benefits of single process -- However, in some areas such as MIL-Q-9858 vs. ISO 9000, cost benefit may never be realized.

-12 We are new to the process. Our first concept paper was approved in September 97.

-13 We are about 90 percent military production, so our gains combining commercial and military is limited.

-14 The Navy has received consideration for instant cost savings in the amount of Approx \$2.5 million. We have yet to capture data on actual cost avoidance.

-15 Yes and NO, determining the savings is one of the most difficult aspects of SPI. Some are easier to assess than others.

-16 People having to deal with one process saves time and money.

-17 We have experienced moderate savings to date, but expect significant savings as critical mass is reached as my comments in #24 said.

-18 Depends upon the definition of significant. This year alone we have identified over \$1 million in cost avoidance due to approved block changes.

-19 N/A.

-20 Cost not significant, improvements have been in other areas- cost pay back 4:1, but numbers are small compared to sales.

-21 332 million cost avoidance DoD wide so far. This number keeps climbing as more SPI's are approved.

-22 No, same as #30.

-23 By rapid approval for all our contracts, allowing us to implement change in an expedited fashion.

-24 No, see above.

-25 Perhaps, but savings have not been measured/quantified.

-26 N/A.

-27 Short term small hard savings and long term cost avoidance, apply this to all the services and the cost avoidance in the long term are significant. Gigantic. ie: if we implement only one single process in lieu of three.

-28 We have only received consideration on one concept paper so far (another is coming) Being DCMC we do not receive consideration (customer does), and do not readily see the savings, but we track.

-29 Without a variety of customers we have taken steps to streamline processes long before SPI.

-31 Non-monetary consideration -maybe significant future cost avoidance, but this is a fuzzy concept and may never come to fruition.

-32 Not yet, but it will come.

-33 We are not far enough into the process yet.

-35 Less than 1 percent savings per article, but opens the door for more innovative processes in the future if this first step is not changed again in future buys.

-36 Defense contractors do not pass on cost savings, they retain them as profit. SPI is probably the most dangerous enemy of our fighting men and women. There was little oversight of defense contracting re: QA & dollars, now-soon there will be none. Subquality parts at premium prices deliverable at the contractor's whim are the order of the day. Is anyone awake out there?

-37 We are working with multi-year (5yr) contract which incorporated numerous changes prior to the SPI program, hence most significant ideas, (Cost Savings) were already accomplished, now our SPI's are minor improvement changes.

-38 N/A.

-39 No reduction in DCMC oversight /involvement.

-40 Contractors not in business to give money back. Through my experience on three management councils and lots of SPI activity, my strong opinion is that the whole shebang boils down to incentives. What is the pm's incentive to sign up for SPI? For the increased risk (which will always follow SPI), what does the PM get in return. Similarly, contractors are not in the business to give money (already promised via contract) back; This may sound good on DCMC presentations, but it is not reality.

-41 Single process long term benefit.

-42 I am not sure, but I have not noticed any yet.

-43 All the savings have been returned to the Government.

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